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# The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

60th Year, No. 43  
October 25, 1956

## WUA President Strikes Hard at Association Critics

Advocates of "Chaos Under the Guise of Serving Public Interest" Scored

Leonard Peterson, executive vice-president of Home and president of Western Underwriters Assn., took off the boxing gloves in his address before the WUA annual meeting this week at White Sulphur Springs and threw some bare knuckle counter-punches at the recent national advertisement of a prominent independent insurer in which trade associations were criticized.

"'Collective power to limit' (company services), 'acting in concert to throttle initiative'—these are samples of the strong language we have read," Mr. Peterson said. "If by following the undeniable theory that the larger the number of units, the greater the credibility, then we act collectively, for the stable organization companies welcome the opportunity to pool their experience to obtain equitable rates.

"If questioning the right of any company to use this statistical data which we collect at great expense to ourselves as a basis from which to file rate deviations (limits company services and throttles initiative), then we stifle initiative," Mr. Peterson said.

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## Southern F. & C. to Get Rehearing on Ark. Deviation

LITTLE ROCK—In response to a formal appeal from Southern Fire & Casualty, Commissioner Combs has granted a public rehearing to the company Nov. 14 on the renewal of its fire rate deviations which the department refused to renew in its recent orders of Sept. 10. In granting the rehearing, Mr. Combs refused, however, to stay the effective date of his September order in which fire deviations of five companies, licensed to do business in Arkansas, were revoked. The five were MFA Mutual of Missouri; Preferred Risk of Fayetteville, Ark.; Queen City of South Dakota; Riverside of Little Rock, and Southern F. & C. The latter was the only company to appeal. The other three stock companies have announced they would use the rates of Arkansas Inspection & Rating Bureau henceforth but would operate as participating insurers.

Great interest is being evinced in Arkansas insurance circles in the rehearing, which will be formal and a full stenographic record made. Southern F. & C.'s first hearing in June was informal in the commissioner's office.

As one of the parties to the hearing, Arkansas Inspection & Rating Bureau will be represented by its manager, Walter Plangman, and its counsel, James I. Teague of the law firm of McMillen, Teague & Coates. It has not been learned who will represent Southern F. & C. However, it is reported that National Assn. of Independent Insurers is taking a considerable interest in the case, and while the NAII may not qualify as a formal party to the hearing, it is expected to throw its assistance behind Southern F. & C.

In denying Southern F. & C.'s renewal of its fire rate deviations, Commissioner Combs followed the same underlying principles announced by the department on May 6, 1955, in its precedent-setting decision on fire deviations in the case of the Assurance of America, namely, that the underwriting experience of a single company does not in itself justify a deviation and that deviations by stock fire companies will distort Arkansas statistics in rate regulation to the extent of impairing effective state control over fire rates.

In the Assurance of America case, Mr. Combs pointed out that if a company is able to effect savings in its expenses there is a recognized sound method of passing savings along to policyholders by the payment of dividends rather than by cutting the price at the beginning of the year "after it is determined whether the company has operated at a profit." In that decision he also pointed out that if fire companies "are permitted to deviate at will, we shall soon find rate-making in a state of competition and chaos with the end result that we would have no sound and realistic system of rates. This would destroy cooperative rate-making, the very thing the rating laws of Arkansas were designed to establish and maintain."

## Inter-Regional Conference Elects Mountain Chairman

Inter-Regional Insurance Conference has elected as chairman H. M. Mountain, executive vice-president of Aetna Fire, to succeed Leonard Peterson of Home.

Other new officers are J. L. Erhardt of Royal-Liverpool, vice-chairman, Felix Hargrett of Home, treasurer, and John D. Dillard of Fireman's Fund, J. Victor Herd of America Fore, W. B. Rearden of Firemen's of Newark and A. L. Ross of Crum & Forster, executive committee members.

A change in the conference's constitution now provides that the chairman and vice-chairman of the advisory committee shall be ex-officio members of the executive committee with voting privileges.

## UL Burglary Protection Council Gathers

Some of the nation's leading authorities in burglary insurance gathered in Chicago recently for the annual meeting of Underwriters' Laboratories burglary protection council.

The two-day conference was devoted to a discussion of proposed revisions of UL standards and application of the laboratories' services in the field. Subjects covered included revisions of central station alarm and local burglar alarm standards, and a discussion of the rules for extension of protection for merchantile establishments. Certification of systems, labelling procedure for torch-resistance safes and national security projects were other major topics covered by the agenda.

The meeting was highlighted by a tour of the Chicago and Northbrook laboratories, where the members witnessed latest methods devised by UL engineers in testing for fire, accident and burglary hazards.

Wolverine has moved its Decatur office to larger quarters at 1032 North Main street.

## American Elects Alexander Chief Executive Officer

Vitt Chairman of American, Bowditch and Jochen V-Ps of American, American Auto

NEWARK—Robert Z. Alexander has been elected president and chief executive officer of American by the newly constituted board of directors. Bruno C. Vitt, former president of American, becomes chairman.

Harvey R. Bowditch and Bert A. Jochen will be executive vice-presi-



Bruno C. Vitt



Robert Z. Alexander

dents of both American and American Automobile. The home office will be at 15 Washington street, here in the American building.

Principal officers of American Auto were elected to similar positions in American and at a meeting of the American Automobile board which followed, principal officers of American were elected to similar positions in American Automobile.

American stockholders acted to create the newly constituted board which now numbers 26 members and includes all American Automobile directors.

Although the offer has not yet been closed, the holders of more than 95% (CONTINUED ON PAGE 33)

## Late News Bulletins ...

### Mass. Agents Elect Walsh President

Massachusetts Assn. of Insurance Agents has elected Daniel M. Walsh of Springfield president to succeed Robert G. Dowling of Hyannis, who becomes state national director. Others chosen at the annual convention in Boston were Clifford E. Dunn of Fitchburg and Francis W. Phelan of Cambridge, vice-presidents, and Charles E. Curtis of Haverhill, Edgar S. Cook of Weymouth, Louis J. Johnson of Pittsfield, Earl T. Griffiths of Fall River, Frederick J. England of Cambridge, Rudolph P. Howard of North Easton, Douglas F. Allen of Lynn and Alexander Ellis of Boston, directors. J. Theodore Burke continues as executive secretary.

### Dismiss Bankers L. & C. Suit vs Larson

MIAMI—Federal Judge Lieb has dismissed Bankers Life & Casualty's \$30 million damage suit against Commissioners Larson of Florida, Cravey of Georgia and four insurance companies. Judge Lieb said there was no "genuine issue as to a material fact" and that the undisputed facts were legally insufficient to show a conspiracy. Bankers was ordered to pay all costs of the 4-year-long legislation.

Judge Lieb issued his order following requests by Mr. Larson, Reserve Life, George Washington Life, Professional, and Hartford Accident.

Bankers asked damages on the ground that the defendants had "illegally conspired to cast discredit on and to destroy" the company's "White Cross" plan in Florida and Georgia.

## Adjourn Hearing on North America Deviation in N. Y.

**Holz Seeks Data on  
Company's Acquisition  
Costs on State Basis**

NEW YORK—The New York department has adjourned until Nov. 1 the hearing of further testimony in North America's 1954 independent filing of dwelling fire and extended coverages rates, a filing which is being contested by New York Fire Insurance Rating Organization.

The hearing last week, conducted by Superintendent Holz, bogged down over courtroom techniques and repeated verbal clashes between Abraham Kaplan, counsel for NYFIRO, and Perry Epes, counsel for North America. Mr. Holz, perturbed over the drawn out line of questioning of two witnesses by the two lawyers, asked North American to return on the adjourned date with additional loss and expense data.

"We're getting nowhere here," Mr. Holz said. "I still want to know how they (North America) arrive at their

acquisition cost figure in New York." The superintendent indicated that when the hearing resumes he will question witnesses personally but will allow each side to conduct cross examinations and to bring out any further pertinent facts.

In their opening statements, Mr. Kaplan and Charles P. Butler, counsel for NYFIRO, charged that North America's independent filing threatens to destroy the whole concept of cooperative rate making and invites unrestrained competition. North America contended that the filing is based on a lower scale of commissions than that paid by other companies, and that this justifies a reduction of approximately 10% in rates for certain classes of dwelling risks.

The hearing was held on the superintendent's own initiative to determine whether the rates are excessive, discriminatory, inadequate or unreasonable. This was an issue on which the department two years ago declined to hold a hearing. The hearing at that time was restricted to whether North America could be a partial subscriber and whether NYFIRO was "an aggrieved person" under the statute.

Mr. Epes, in his opening remarks, said that the lower rates of North America are not based entirely on reduced commissions. He added that they have been in effect two years, they have proved to be entirely ade-

(CONTINUED ON PAGE 34)

## Allen Chairman, Mitchell President of Tex. Employers

Austin F. Allen, president of Texas Employers, Employers Casualty and Employers National of Dallas, was elected chairman of all three companies last week, and Ben H. Mitchell, executive vice-president, succeeds Mr. Allen as president of the insurers. Walton O. Head, vice-president and general counsel, was elected executive vice-president of the three companies and a director of Texas Employers.

Mr. Allen has been president of Texas Employers since 1938 and has been with the organization since it started in 1914. He began as a clerk and was promoted to assistant secretary and assistant treasurer. He served later as secretary, vice-president and sales manager and executive vice-president before becoming president. He is a director of Southland Life, Republic National Bank and a number of civic and insurance trade organizations.

Mr. Mitchell is the son of the late Homer R. Mitchell, who organized the companies and was chairman until his death in August. Ben Mitchell started as private secretary to his father in 1924 after graduating from Rice Institute. In 1925 he went with another company but returned to Texas Employers in 1926. He went with the newly organized Texas Security Life in 1929, but rejoined Texas Employers when the life company was merged with Gulf States. He was elected secretary of the companies in 1938, vice-president in 1949 and in 1951 became executive vice-president.

Mr. Head started with the companies in 1936 as an attorney and was made general counsel in 1946 after army service. He was elected vice-president in 1953.

## Ill. Governor Says He Has Opposed Auto Rate Hike for 3½ Years

Gov. Stratton of Illinois, addressing the City Club of Chicago this week, said in answer to a question that he has investigated the Illinois insurance department following a series of articles in the St. Louis Post-Dispatch, and has found no indication that insurers have been directed to any attorney. He went on to say that for 3½ years he has opposed "unjust and unreasonable" automobile rate increases, feeling that it is his duty to do so.

It has been known for some time that it was administrative policy not to increase automobile rates in Illinois, but this is the first time that it has been stated openly. Up until now, Director McCarthy indicated at the hearings he conducted over a great span of time with the National Bureau, that he was concerned in getting sufficient and proper data to justify what was being requested. Gov. Stratton's statement indicates that the administration was looking over Mr. McCarthy's shoulder.

## N. C. OKs Conversion of Tarboro Association

State Hospital Insurance Association of Tarboro, N. C., which has been trying to convert from a non-profit hospital service to stock A&S company for three years, has received permission to make the change. Commissioner Gold issued the license after a hearing showed the company had \$264,264 in assets.

## Munich Re V-P, New V-P of U.S. Managers Visit U. S. Insurers

James Inzerillo has been elected vice-president and a director of Munich Management Corp., the U. S. managers of Munich Reinsurance.



James Inzerillo

Prior to joining Munich Re, Mr. Inzerillo was assistant secretary of American Mutual Reinsurance at Chicago and before that was with Joseph Froggatt & Co.

Mr. Inzerillo has spent two months at the home office of Munich Re, which was established in 1880. He is now touring some of the principal insurance offices in the United States in company with Carl F. Huetz, vice-president at the home office of Munich Re.

Mr. Huetz, at a stopover in Chicago, indicated that insurance problems are similar throughout the world. Automobile insurance, for example, is producing bad loss ratios everywhere. The situation is acute in France where hundreds of millions of francs are being lost by the companies and the government is unwilling to see the rates increased to the necessary level for fear of causing another round of inflation. Europe is having its introduction to atomic energy insurance in an almost identical manner with that in the United States, and, in fact, some of the European insurance executives hope to have participation in the European atomic energy pool on the part of U. S. insurers in much the same manner as some of the admitted European companies participate in this country.

Automobile business in West Germany is a matter of concern. In its last report, Munich Re said it is becoming "more and more evident that the increase in premium rates so far effected is inadequate . . . Losses are up and the frequency of losses is up . . . In most cases it is only possible for premium rates to be adjusted after the increase in the loss ratios and thus, since such increase in premium rates may not take effect retroactively, it follows that they are likely to lag behind the development of the loss ratios." This applies to all countries, the report notes.

This "limping behind" of rates, Mr. Huetz said is the real problem in the auto field.

In Europe there is a good deal more made of the kinship of insurance than in the United States. In West Germany, Mr. Huetz said, all the companies belong to the principal insurance organization. It makes no difference whether they are stock or mutual or state-operated. There is freer exchange of information.

Munich Re is the second largest reinsurer in the world, second to Swiss Re.

## Approve Office Contents Special Form in Ark.

Arkansas Inspection & Rating Bureau has approved the office contents special form promulgated by Inter-Regional Insurance Advisory Conference for use in Arkansas. The 80% contribution clause is mandatory and the coverage may not be written on a reporting basis.

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## Continental Casualty Stockholders OK Plan To Buy National Fire

**But Big National Fire Stockholder Says Rate of Stock Exchange Too Low**

Stockholders of Continental Casualty, meeting Oct. 17, approved overwhelmingly the proposal to purchase stock of National Fire through an exchange of stock at a rate of 1 1/4 shares of Continental Casualty for each share of National Fire. Also approved was the proposal to issue such additional shares of Continental Casualty as will be necessary to effect this exchange, which if consummated 100% would call for 625,000 new shares.

On Monday, the Securities & Exchange Commission approved the prospectus for the issuance of the new Continental shares.

Continental Casualty stockholders authorized the directors "in their discretion" to proceed with the formal offer to stockholders of National Fire. The stockholders will be asked to meet again Nov. 19 at which time the amendment providing for additional shares may be written up in final form so as to permit issuance of the exact number of new shares of Continental necessary to provide for the acceptance of the exchange offer by National Fire stockholders. There were 2,105,648 (84.22%) of the total 2 1/2 million shares of Continental Casualty represented at the meeting, and only 337 shares were voted against the recommendations of the directors.

The largest single stockholder of National Fire, E. Clayton Gengras, a Hartford automobile dealer and a director of National, has thrown a cloud of dust into the proceedings, however, in a letter addressed to National stockholders in which he opposes the offering of 1 1/4 to 1 as "entirely inadequate and unfair." He says it should not have been recommended by the directors of National Fire.

Mr. Gengras is influential in Connecticut politics and was one of the largest contributors to the campaign of Gov. Abraham Ribicoff. He is president of Fire & Casualty of Connecticut, which he owns and controls through Colony Co. F.&C. of Connecticut, according to published reports, as of Dec. 31, 1955, owned 18,893 shares of National Fire, carried at \$2,342,732, or approximately \$124 a share. This amounted to 40% of the assets, more than 75% of the stock portfolio and about 90% of the surplus to policyholders. The remaining stock holdings of F.&C. included Connecticut Acceptance Corp. at \$100,000, Clayton Motors at \$140,000, Gengras Motors Inc. at \$390,000, Riversea Inn of Slaybrook, Conn., at \$1,000, American Tool Works Inc. at \$28,901, Connecticut Underwriters at \$4,000, and Insurance Securities Trust Fund at \$6,075.

National Fire, which within the last year sold at more than \$150 a share, was bid Friday at \$102 and Monday at \$94. Mr. Gengras says in his letter to National Fire stockholders that he believes the exchange for National stock should be at the rate of 1 1/2 to 1. This was the offer originally made by Continental Casualty but revised when it was determined, following an audit by Peat, Marwick, Mitchell & Co., that a substantial increase was necessary in

## Urges More Defense Against Intrusion by Government

The greatest danger to the insurance business today is the enactment of



H. Clay Johnson

government subsidy programs under the guise of insurance to open the door to increasing federal intrusion, H. Clay Johnson, deputy U. S. manager of Royal - Liverpool, told New York chapter of CPCU.

Though it is evident that the demand for more and more social security will continue, the insurance business must be alert to satisfy this demand within the limits of its capacity and do what it can to avoid government interventions, Mr. Johnson said. He called federal encroachment in insurance contrary to free enterprise, unfair to taxpayers forced to become underwriters of government programs and inefficient because of a lack of effective competition to keep costs down and to create new and better coverages. It is a step in the direction of curtailing political and economic liberties of the individual since, in the hands of a future administration with socialistic tendencies government insurance could be used for greater centralization of governmental authority.

No business can compete with government because the latter is using money derived from taxation and not from profits. Proponents who say that it is cheaper are creating a mere illusion, Mr. Johnson charged. It may be cheaper to the immediate purchaser, but it is not cheaper to the taxpayers who foot the bill. The only reason it is cheaper, he said, is that the purchaser receives the benefit of governmental absorption of certain operating expenses and governmental exemption from tax and other forms of subsidy which cannot possibly be granted to the customer of a private insurer. To the extent that tax revenues are reduced and subsidy costs incurred, additional taxes must be levied, thus causing public insurance to become, in part, a giveaway of tax money.

Current good times tend to make people more conscious of the plight of the underprivileged and less sensitive to welfare state developments. Therefore the business must get its story across to the public and make its position known in the legislatures. The business should act to prevent the corruption in the insurance concept, to prevent subsidy programs under the guise of insurance, to contradict the misleading belief that insurance can be a cure-all for all social and economic ills and to encourage more affirmative government action in the field of protection.

He cited several examples of government encroachment in insurance. He said the Federal Nuclear Indemnity bill failed only because of a stalemate in the fight between public and private power interests, but is likely to be revived at the next session of Congress. Private insurers have created syndicates to give a reasonable amount of insurance on such projects. The interest in government legislation

## WUA Surveys Agents on Fire Competition

Results of a survey of agents in mid-western states on competition in the fire business were announced to members of Western Underwriters Assn. at their annual meeting this week at White Sulphur Springs. Roger Shepard, St. Paul F.&M., commented on the agents' responses which were shown by means of slide film.

Responses to the survey covered 370 towns and cities in WUA territory. The agents indicated that policyholders influenced by competition in the fire business generally admit the attraction is lower cost, and said advertising and aggressive solicitation by competitors are the means by which competitors get at the buyers.

Chiefly, the survey asked agents a number of questions about their own methods of business-getting and their opinions on the effectiveness of some of the accepted practices.

To the question "Do you solicit new accounts moving into your community?" 74.7% of the answers were yes, 21.4% no and 3.9% did not answer. The most popular way to go after new accounts in town is by word of mouth (22.2%), but a wide variety of systems were used, including legal news and newspapers (14%), organized services of the "Welcome Wagon" type (12.5%), real estate transfers (9.5%), chambers of commerce (8.5%), utility companies (6.7%), credit bureaus (6.7%), banks (2.5%), moving companies (2.2%), and clubs and churches (2%).

To the vital question of how an agency solicits renewals, 50.8% of the agents admitted they renew "some" business or all of it automatically. Telephone, mail or personal calls were used exclusively by 23.1% of those responding. The most discouraging response, Mr. Shepard commented, was the admission by 9.4% of the agents who said they renew all business automatically without solicitation.

Asked what is the most effective sales promotion effort, 30% of the agents said cold solicitation, and this was followed by direct mail (13.5%), and mentioned by 33%, newspaper advertisements (7.3%), and mentioned by 28%, radio advertising (1.6%) and billboards (1.1%). A total of 62% of the agents use only one of the methods of solicitation, and 38% used a combination and added such items as classified phone book advertising, movie trailers, surveys, agency magazines, and calendars and novelties.

## Northwestern Mutual Adds UM to Auto Cover

Northwestern Mutual has brought out a new and substantially broadened automobile contract. Among the added provisions are uninsured motorist coverage and accidental death and disability protection. These will be available on an optional basis in all states where permitted.

A flat rate will be used for the uninsured motorist protection of \$5 for 5/10 and \$5.75 for 10/20 coverage. Protection is based on an agreement between policyholder and company, with a provision for arbitration.

Directors of North Carolina Assn. of Mutual Insurance Agents will meet Oct. 31 in Sir Walter hotel, Raleigh, N. C., to hear reports on pending extended coverage rate increases, the association's annual budget and work of the loss adjustment committee.

## Stanton New NAMIC Head; Meeting Real Work Session

**Many-sided Convention at Cincinnati Gives the Delegates Tough Workout**

By ROBERT C. DAUER

CINCINNATI—The combined annual convention here last week of National Association of Mutual Insurance Companies, Federation of Mutual Fire Insurance Companies and the Advertising-Sales Conference of American Mutual Alliance went off smoothly, in spite of a many-faceted program which at one time Tuesday afternoon had seven different sessions working. Actually, in view of the semi-autonomous nature of the five conferences under the broad wing of NAMIC, the annual convention presents, in effect, a "seven-in-one" conclave.

Combined registration—around 1,100—was down somewhat from the record high established last year at St. Louis, but it would have been difficult to convince the delegates, who heavily taxed the facilities of the Hotel Gibson.

For NAMIC, this was the 60th annual convention. It was the 40th meeting for the Federation of Mutual Fire Companies and the 22nd for the Advertising-Sales Conference of AMA. During the three days of the meeting, there was seldom a dull note. Mornings were invariably devoted to joint or general sessions of NAMIC, leaving afternoons free for segregated conference and committee programs. Albert C. Hawes, secretary, Cincinnati Equitable, acted as convention chairman for the host Ohio association.

R. M. Stanton, secretary, Capital District Grange Cooperative Fire of New York, was elected president of NAMIC succeeding John A. Buxton, board chairman, Federated Mutual Implement & Hardware. D. C. Griffith of Shelby Mutual is the new chairman of Conference of Mutual Casualty Companies.

Federation of Mutual Fire Insurance Companies intends apparently to defer action on the nomination of a new slate of officers for 1957 until the American Mutual Alliance convenes next month in Chicago.

The keynote of the convention was sounded by retiring President Buxton at the first general session when he said: "In the past ten years there have been more changes in the insurance business than occurred in almost 50 previous years. The question that has been uppermost in my mind is—did the managers of mutual insurance companies fully recognize the importance of these many changes to their individual companies? Do they realize the over-all effect on insurance of all kinds? Do smaller companies realize the tremendous effect on them of the multiple-line legislation that has taken place? Are you ready to meet the increasing competition of multiple-line writers? What kind of an answer is the management of your company ready to give to the farmer or the city man who comes to you and says, 'I want you to cover me for all possible insurable losses. I want this all under one policy. I want to pay you for this policy in equal installments, once a month.'"

In the main, these were the questions with which most of the delegates

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## Federal Crop Program Not Emergency Relief Says Manager of FCIC

CINCINNATI—In his report here last week before the crop hail conference of National Assn. of Mutual Insurance Companies, Frank N. McCartney, manager Federal Crop Insurance Corporation, outlined the areas in which crop insurance programs can be expected to work and the role the federal government intends to play in such programs. His talk created considerable interest because it delineated the boundaries between crop insurance as an emergency program and as an insurance program. The delegates were particularly interested in his allusions to the entry by the federal government into the flood insurance picture.

"As crop disasters continue throughout a broad agricultural front, with the area of drought during the past few years moving from Texas and Colorado into Nebraska and Iowa, they have emphasized the value and need

of a strong crop insurance program," Mr. McCartney pointed out. Referring to the progress made by the Federal Crop Insurance Corp. in providing broader and sounder coverage to participating farmers, he emphasized that federal crop insurance should be extended wherever feasible, provided the business can be written under a sound insurance program.

"The corporation has been asked repeatedly during the past two years why we don't rush federal all-risks crop insurance in these counties where crop disasters have required some form of emergency assistance. The Department of Agriculture has held that all-risk crop insurance is not an emergency program but is an insurance program. They are too sincerely interested in the development of this insurance protection to risk sacrificing its tremendous potential by distorting its fundamentals to meet emergency needs. Progress on the development of this insurance was set back many years by earlier policies which subordinated basic insurance principles to an objective of increasing farm income. While crop insurance obviously is the sound and economic way to do a major part

of cushioning the shock of crop disasters of farmers' finances, it must be built upon a firm foundation of premium payments by participating farmers. The needed foundation could quickly change to quicksand by repetition of the effort to use this fundamental part of a stable farm operation to provide emergency assistance," he said.

Referring to the unfavorable loss experience in recent years by FCIC, he continued: "The future of the program depends entirely upon the desire for participating by the farmers and this can only be attained when the rates are fair, equitable and stable and the coverages adequate. This can be done only by having the insureds under the program through both the good and bad years. I believe that some of the greatest mistakes in the past in the writing of this insurance have been in the accepting of all risks up to a fixed closing date for a particular county if the farmers desire the coverage. It is very hard to sit in the office in Washington, D.C., and out guess the farmer who is out there on his farm as to whether or not there will be a loss for the next crop year. There were a number of counties in Iowa and Nebraska where we carry a nominal number of policyholders year after year. For the 1956 crop year, this business increased in some places over 1,000% and the result is we are paying approximately \$4 million on corn losses this year. These farmers knew that there was a very good chance that they were going to have a loss. To alleviate this problem, I have asked outstate directors to close areas where they or their field men believe we may be buying losses.

Turning to the subject of new developments which could conceivably effect the crop insurance picture, he spoke on a proposed flood insurance program: "There have been some interesting new developments that may have some effect on crop insurance. First is the coverage of flood insurance for dwellings and commercial buildings and contents. It is my understanding that this coverage is to be written the same as war-risk coverage was written during the war, that is, agents for all companies can write it, their companies will handle the writing of the policy and the accepting of the premiums, which are forwarded to the government, with the U.S. government paying a commission, a service charge, and the losses. The premium collected from the insured is to be based upon a 60% loss ratio, the U.S. government carrying the additional 40%, plus the administrative cost. Under federal crop insurance, the insured is supposed to pay 100% of the estimated loss, with the government paying all the administrative cost. In addition, the last few years we have been authorized to take from the premium the adjusting cost and \$2 million for administrative cost. Some time, some congressman from a farming area is going to wonder why the farmer has to pay practically the full amount while manufacturing plants and dwellings are being subsidized. The change that may develop might place us further from your and our goal of paying all costs from premium income."

Summing up, he said, "Federal crop insurance is going to continue to improve both in the writing of additional business in additional counties and in the adding of new coverages. We are going to get the rate structure on a more adequate and equitable basis so that our premium income will not only

## Battles Tells Tenn. Agents NAIA Ad Program Under Way

NASHVILLE—Robert E. Battles, Los Angeles, president National Assn. of Insurance Agents, told Insurors of Tennessee at their opening session Monday morning that the NAIA program of advertising the services of the independent insurance agent is well under way, now that the slogan and insignia have been adopted, and the committee will have a report on media and costs ready in December. At least five companies have offered to include the service in their own national advertising, as a sort of buyer's guide and Mr. Battles said he expects more will do so.

The insignia was the important first step, Mr. Battles said, because up to now NAIA had nothing to advertise. He explained the problems of acquiring exclusive use of the device, which are multiplied by the fact that the agents cannot expect any company to indicate that its insurance can be bought through NAIA members exclusively, but said he believes they will be sold by patenting, rather than trying to copyright the device. The latter procedure will enable NAIA to permit insurance companies and others to use the device, as licensees, which is exactly what the agents want.

Mr. Battles reported that for the first time, all 84 agents who compose the 11 standing NAIA committees were picked in one day and acceptances were obtained within six days. The headquarters staff members who act as committee secretaries sent out agenda and background information immediately and so the committees are now functioning in high gear, something which in previous years seldom happened before January. He closed his talk by quoting from a letter from an attorney who said he had represented direct writer producers in suits involving use of expiration and other information. The attorney told Mr. Battles he had never known a producer of this type who was not envious of the independent agent and looked forward to acquiring that status.

## Woodall Appointed New SEUA Manager

John P. Woodall has been appointed manager of the Southeastern Underwriters Assn. to succeed the late W. W. Sampson.

Mr. Woodall started in the engineering department of the association in 1926. Following several years experience as an engineer in the field and in the Atlanta office, he was advanced to assistant secretary in 1940 and was made secretary in 1949.

William B. Head Jr., independent oil operator of Houston, has been elected a director of Employers Casualty of Dallas.

pay our losses but build up an adequate reserve. We also hope that some time in the future the premium income will include administrative cost. We will cooperate with any other insurance companies that wish to start similar programs. I can visualize that some time in the future when crop disasters strike, the farmers will not have to go to their state or national governments and ask for aid but will be able to take care of this problem by having crop insurance with us or with stock or mutual companies."

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- a son or daughter who borrows a car
- a resident relative who borrows a car
- the purchase of a new car
- a utility trailer, rented or borrowed
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18,000 LOCAL AGENTS • WORLD-WIDE FACILITIES • STANDARD STOCK COMPANY PROTECTION

## Program Ready for Conn. Convention

The program has been completed for the annual convention of Connecticut Assn. of Insurance Agents in Hartford Nov. 8. Walter E. North of Bridgeport, president, will lead off with the report of the administration, and William H. Wiley will give his executive secretary's report.

After the business meeting and election, Newell Lusby, secretary of America Fore group, will talk on "Do We Want Compulsory Automobile Insurance in Connecticut?"; Kenneth O. Force, executive editor of THE NATIONAL UNDERWRITER, will discuss "If the Local Agent Doesn't Do It, Who Will?," and Commissioner Spellacy of the Connecticut department will speak. There is a luncheon for local board officers.

In the afternoon Stetson Ward of New Haven will moderate a legislative panel which will feature John B. Crosson of Hartford, Herbert R. Bland of Hartford, Eben Learned Jr. of Norwich, and Lester M. Shea of Willimantic.

"It's Time to Take Inventory" will be discussed by Morton V. V. White of Allentown, Pa., executive committee-man of NAIA, and "Don't Hitch Your Policies to a Butterfly" by Paul M. Mayer, vice-president of No-Cal Corp., Brooklyn.

A cocktail party will precede the banquet, at which awards will be presented and officers installed.

## Travelers Changes Field Supervisors

Travelers has appointed as casualty, fidelity and surety field supervisors David Van Dyke at Louisville, Ky., Richard C. Barton at Buffalo, N.Y., and Charles H. Fleck at Philadelphia.

The following field supervisors have been transferred. Allan H. Wiggenshorn from Los Angeles to San Francisco, Rufus A. Caldwell from Richmond, Va., to Washington, D.C., and Harry A. Richardson from Manchester, N.H., to Portland, Me.

## National Fire Stockholder Protests Purchase Price

(CONTINUED FROM PAGE 3)

National Fire's reserves to place them on a level comparable to prior years. Mr. Gengras says the audit showed the need for additional reserves of \$1½ million, which he declares would change the picture by only a few dollars a share. When Continental Casualty revised its offer from 1½ to 1¼ it noted that National's earnings for 1955, on the increased reserves, would have been correspondingly lower. The prospectus for the issuance of new Continental Casualty stock comments that statements of consolidated income (un-audited) of National Fire for the eight months ending Aug. 31 show a total loss from underwriting on the statutory basis of \$7,668,303 and, after offsetting earnings from investments, a net loss on the statutory basis of \$5,105,222 after federal income taxes. This amounts to about \$10 a share.

Calling the offer a "distress price," Mr. Gengras said National Fire is not in any distress that cannot be corrected by improving operations. He commented that the company can stand on its own feet and work out its own business at a much greater profit and gain to its stockholders than is probable under the current Continental Casualty proposal.

## Buckeye Union to Mark 30th Anniversary

Buckeye Union will observe its 30th anniversary, Nov. 1, and will commemorate the occasion by issuing special edition of the *Beacon*, its monthly agency magazine. The issue contains a complete history of the company.

Ira L. Morris, secretary of the company, founded Buckeye Union Mutual in 1918 in Lima. Three years later he moved the company to Mansfield where office space was shared with Great American Mutual Indemnity. In 1924 Frederick E. Jones was elected president and moved the home offices to Jackson, O. From the time he became interested in Buckeye Union Mutual, Mr. Jones planned to convert it to a stock company, which was accomplished on Nov. 1, 1926, when Buckeye Union Casualty was chartered.

At that time, the company had assets of \$170,000; 217 agents, all located in Ohio, and 18 home office employees. Of those original agents, 34 still represent the company and seven company employees have been on the payroll for 30 years including Secretary Ira L. Morris, Treasurer Frank A. Burgess and Comptroller B. J. Mertz.

In 1932, the home offices of the company were moved to Columbus where they are now located. Since then, two contiguous apartment buildings have been taken over and another large office building purchased.

Frederick E. Jones Sr. died in 1936 and was succeeded by his son, Frederick E. Jones Jr., present head of the organization.

In 1937 Buckeye Union Casualty was licensed in Indiana, Kentucky, Pennsylvania and West Virginia and in 1938, Buckeye Union Fire was established as a running mate.

Early in 1954 Mr. Jones was elected president of Ohio State Life and in 1956 named head of Columbus Mutual Life. He has announced his intention of combining these two companies in the near future.

Combined assets total nearly \$40 million—a far cry from the original \$170,000. Instead of 217 agencies, the company is now represented by 1,300 agencies in Pennsylvania, Michigan, Indiana, West Virginia, Kentucky and Ohio and the number of company employees has risen from 18 to 600.

## Mich. CPCU All-Industry Rally Set for Oct. 30

The all-industry conference of Michigan CPCU at Detroit Oct. 30 will feature two discussion clinics in the morning on new developments in agency management procedures and electronic processing of the insurance transaction. Dale Willman, London & Lancashire, will moderate the first panel, and George Sullivan, Standard Accident, the second.

Max E. Kerns, president of the Michigan chapter, will preside at the luncheon, and the designations will be conferred on four new CPCUs by Miss Ella Rachel Lyons, central district director of the society. The luncheon speaker will be George V. Whitford, vice-president of Fire Association, whose subject will be "Showdown in the Market Place."

## Georgia CPCUs Elect

Fred W. Lagerquist Jr., Lagerquist & Co., has been elected president of Georgia chapter of CPCU. The vice-president is Dr. Kenneth Black Jr. of the Georgia State College insurance department; secretary, E. Thomas Johnson, Dunlap & Co., and treasurer, C. Robert Hall, Chubb & Son.

## AMA Sets Program for Insurance Meet

Discussions of insurance aspects of the *Andrea Doria* loss, the federal flood insurance act and multiple peril policies will highlight the fall insurance conference of American Management Assn. to be held Nov. 14-16 at the Palmer House, Chicago.

Wednesday's session will open with a discussion of the *Andrea Doria* disaster as a composite of the ocean marine problem by Leonard Matteson of Bigham, Englar, Jones & Houston, New York, and a talk on "Modern Concepts of Travel Accident Insurance" by Richard E. Welsh of J. P. Stevens & Co., New York. A panel session that afternoon will outline insurance problems in mergers and decentralization. Panel members are James M. Cooper of American Motors, Ralph J. Walker of Pacific Mutual Life and Edward F. Neubecker of Burroughs Corp.

Insurance techniques will form the framework of Thursday's session. Speakers include Anthony W. Fitzgerald of *The Weekly Underwriter* on "Hold Harmless Agreements"; Peter A. Zimmermann, assistant secretary of Surety Assn. of America, on "Proper Limits of Fidelity Coverage," and Frank S. Glendening of Frank S. Glendening & Co. of Philadelphia, on "Business Interruption Insurance." The session will close with a panel discussion of business interruption coverage by Robert Young of Scott Paper Co., Robert Lauterback of Pittsburgh Steel Co., W. B. Womeldorf of Thomas J. Lipton Inc. and Nils H. Munson of Dow Chemical Co.

The theme of Friday's session is the changing picture. Frank J. Meistrell, deputy administrator of Housing & Home Finance Agency, will speak on the "Federal Flood Insurance Act and What It Means to Industry"; Richard A. Lydecker of Great American will discuss "The New Package Policies and the Insurance Buyer," and Joseph P. Craugh of Utica Mutual will speak on "Insurance at the Crossroads."

## Chicago Casualty Group Hears Trial Attorney

Casualty Adjusters Assn. of Chicago at its October meeting heard Charles E. Bliss of the Hersey & Bliss law firm, Taylorville, Ill., describe his experiences as a trial attorney.

He said that frequently a trial lawyer is completely taken aback by a witness who turns out to be quite different from the way he is described in the defense file. Illustrating his talk with his own personal experiences and those of his associates, Mr. Bliss described some of the unpredictable reactions of jurors to situations that develop during the trial and some idiosyncracies of witnesses.

Harry J. Ball of Continental Casualty, president, appointed a nominating committee to prepare a slate for election of officers at the Nov. 21 meeting. Dr. Llewellyn Heard of Standard Oil (Ind.) will present a demonstration of the handling of volatile liquids at that meeting.

The association approved the membership of Phoenix-Connecticut group and the John B. Hunt & Co. adjusting firm.

## New Cal. Insurance Law Firm

LOS ANGELES—Bolton & Groff, a law firm specializing in insurance, has been organized by John S. Bolton and Gene E. Groff, both of whom are CPCUs. Both of the law partners have had a long experience in the insurance business and Mr. Groff is a PMLG of California Blue Goose.

## 1,000 to Attend N. Y. Downstate Regional

More than 1,000 are expected to attend the annual downstate regional meeting of New York State Assn. of Insurance Agents Oct. 30 in Garden City hotel, Garden City, N.Y.

The morning session will feature a panel on the state's compulsory auto insurance law with Ellis Riker and Carmine Crainhead of the state motor vehicle bureau, Frank Holzauer of Royal-Liverpool, George Schepens of New York Automobile Assigned Risk Plan and Arthur H. Lamanda, deputy superintendent of insurance. William Leslie, manager of National Bureau of Casualty Underwriters, will be moderator.

Henry Viscordi, president of Abilities Inc. of West Hempstead, N.Y., and C. Fred Ritter of Middletown, association president, will be luncheon speakers.

Afternoon speakers will be Superintendent Holz, William Nolan, assistant manager of the automobile department of National Bureau; R. H. Belknap, president of United States Life; Reginald Greet of R. B. McFalls & Co., president of Suburban New York Field Club; Lawrence E. Smith, administrative assistant of NAIA, and Arthur L. Schwab of Staten Island, public relations chairman of the New York association.

## Republic Casualty of Ky. Goes into Liquidation

Republic Casualty of Louisville, owned by Paul Temple, has gone into voluntary liquidation. The company has been operated under the direction of Commissioner Thurman of Kentucky since Aug. 30 when it was ordered into rehabilitation. Republic showed an underwriting loss of \$184,000 for the first six months of 1956.

The St. Louis *Post-Dispatch* said in a story about the liquidation that Commissioner Thurman had difficulty in persuading Mr. Temple to come to Kentucky from his Chicago office to discuss the company's problem prior to their rehabilitation order.

When he did come, the *Post-Dispatch* said, Mr. Temple sought permission to reorganize Republic Casualty in Illinois, "saying he could get a license in 24 hours through former Illinois attorney-general George F. Barrett, Kentucky officials said. Temple was quoted as saying Barrett was his lawyer, describing him as 'Mr. Insurance of Illinois.'"

## All-Industry Rally of Rocky Mountain CPCU Set

Rocky Mountain chapter of CPCU has scheduled its all-industry luncheon and conferment for Nov. 2 at Denver. Included will be a half-day seminar which will take up automobile insurance and personal property floaters. Edwin S. Overman, assistant dean of the American Institute, will confer the CPCU degrees on the new designees, and the guest speaker will be Charles H. Groves, insurance director of Colorado Fuel & Iron Corp., whose topic will be "Problems of an Insurance Buyer."

## N. D. Federation Meets

Bruce Johnson, district projects manager of U. S. bureau of reclamation, was the featured speaker at the annual meeting of Insurance Federation of North Dakota. More than 250 attended the meeting at Bismarck.

Stock Fire Insurance Field Club of North Carolina will meet Nov. 8 in Carolina hotel, Raleigh, N. C., to hear an educational program.



# Tennessee Agents Elect W. P. Deese

## Agency Operations, Sales Talks Spark Tenn. Agents

**Chandler Calls for Hard Work, Cost Studies, Personal Service**

NASHVILLE—At the Tuesday morning session of Insurors of Tennessee here, W. S. Chandler, vice-president Phoenix of Hartford, made a number of suggestions for operating an agency at a profit, including meeting competition and rising costs. He said that in his opinion, while price cannot be ignored, the real threat of direct writers to agents lies in their aggressive salesmanship—which Mr. Chandler described as the type of salesmanship every agent used the first year he was in business. He urged agents to advertise their service and not to be ashamed of the difference in price, but to let the client know that the agent's service is worth the difference. He advocated use of visual selling and particularly account selling, as distinguished from merely selling policies.

Most agents complain that they do not have time to get out and see customers, sometimes using this as an excuse for simply mailing out renewal policies, with bills. Mr. Chandler said this means that the agency has grown to the point that it needs additional personnel and an agent should recog-

(CONTINUED ON PAGE 9)

**Beling Compares Old and New in Agency Methods**

NASHVILLE—Agency operations and efficiency were discussed by Oscar Beling of New York, agency systems manager of Royal-Liverpool, at the opening Monday morning session of the annual meeting of Insurors of Tennessee.

Mr. Beling amused his audience with a comparison of a typical insurance agency of 30 or 40 years ago and a modern, progressive office, both in physical appearance and in operating methods. He described the visit of a customer in olden days—the agent naturally being in his office and the customer almost certainly being interested in fire insurance and nothing else—and the cumbersome procedure of writing and recording a policy with the equipment and methods used at that time.

In contrast, Mr. Beling pictured a modern client entering an office, finding all the principals out soliciting business, but being greeted by a competent employee, thoroughly familiar with the insurance business and qualified to handle almost any insurance problem. According to Mr. Beling, an employee of this type takes the cus-

(CONTINUED ON PAGE 9)

## Asks Tenn. Agents to Recognize Public Wants Compulsory

NASHVILLE—At the closing session of Insurors of Tennessee here Tuesday afternoon, J. A. Donoho, Hartsville, past president of the Tennessee agents, said that insurance men should face facts and recognize that the public wants compulsory automobile liability insurance and should work toward a law, specifically in Tennessee, which will do justice to insurance people and the public. Admitting that he was not offering his experience as a solidly weighted public opinion poll, Mr. Donoho said that he had talked to a number of drivers of automobiles in a string of traffic and every one said that he carried insurance and believed that every motorist should be required by law to do the same.

Mr. Donoho's remarks came immediately after the Tennessee agents had approved a resolution asking for uninsured motorist insurance as an offset to compulsory insurance. The resolution, offered by A. L. Webb, Chattanooga, resolutions committee chairman, was originally addressed to the National Assn. of Insurance Agents casualty committee, but was amended from the floor to be directed to National Bureau of Casualty Underwriters. No official action was taken on Mr. Donoho's sentiments, but it was

(CONTINUED ON PAGE 48)

## Northington Turns Down Top Post, but Is Honorary V-P

**S. H. Warner Advanced to 1st V-P; Impressive Attendance at Nashville**

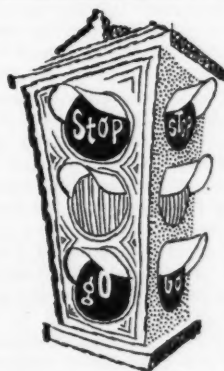
By JAMES C. O'CONNOR

NASHVILLE—Insurors of Tennessee packed enthusiasm, crowded attendance, a top flight program and enjoyment into its annual meeting at the Noel hotel here and the mixture looked good to everyone involved. The registration of close to 400 was impressive and both the execution of the ambitious meeting and the record of the association during the past year left everyone singing the praises of R. H. Miles, Kingsport, the retiring president, and G. L. Goss, Nashville, the efficient and hard-working manager.

The Tennessee agents were faced with a problem in official succession which was undoubtedly without parallel in the insurance business. Arch Northington, Clarksville, first vice-president, was the logical successor to the presidency and he had not an enemy in the state. But it happened that Mr. Northington is also commissioner of insurance and banking of

(CONTINUED ON NEXT PAGE)

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SUCCESSFUL MEETING  
to the

## INSURORS OF TENNESSEE

• • •

**PROVIDENT LIFE AND ACCIDENT  
INSURANCE COMPANY**

CHATTANOOGA

(CONTINUED FROM PRECEDING PAGE) Tennessee, and a successful and popular commissioner. After weighing all the issues, Mr. Northington, at the Monday morning opening session, told his fellow agents that he had regretfully concluded that his public position made it inadvisable that he accept the top office in an insurance association. The decision was a difficult one, not only for Mr. Northington but also for his fellow agents, because it marked the second time that he had had to bow out of the highest honor the Tennessee agents could confer upon him. Going on the board of the association in 1940, Mr. Northington had been in



George L. Goss



R. H. Miles

line for the presidency when he went into military service during the war. After the war, he again climbed the official ladder, only to be drafted for public service. The Tennessee agents created for him the new post of honorary vice-president and it seems certain that he will eventually be president if the future gives him a chance.

W. P. Deese, Nashville, became the new Tennessee president. Secretary of the association during the past year, Mr. Deese has been a partner in the potent C. M. Hunt Co. agency for 10 years and a respected leader of the

agents' group. A native of Atlanta, Mr. Deese started his career with the southeastern department of Fire Association in 1933. He was sent to the Tennessee field in Nashville in 1939 and went into the army air corps in 1942. On his discharge in 1946, he went back with Fire Association, but joined the Hunt organization a few months later. He has held many offices and committee chairmanships for the Tennessee association.

S. H. Warner, Memphis, vice-president of the important E. H. Crump & Co. agency, is the new first vice-president and heir apparent. In addition to being a vice-president of the Tennessee association, Mr. Warner distinguished himself during the past year as chairman of the important metropolitan agents committee.

Sam Arnold, Knoxville, was reelected vice-president and V. H. Wheeler, Granville, moved up to the same office. Maynard Ellis, Athens, succeeded Mr. Deese as secretary, and J. R. Jackson, Nashville, is the new treasurer. E. L. Adamson, Shelbyville, was elected a director for one year term to replace Mr. Jackson and J. R. Reed, Greenville, J. T. Snodgrass, Sparta, and E. B. Tanner, Union City, were chosen for full two year terms on the board. A. L. Webb, Chattanooga, and Clark Wade, Memphis, will hold over as directors.

The board had already selected J. H. Bandy, Nashville, past chairman of the national association casualty insurance committee, as state national director to succeed J. B. Bailey, Knoxville, past president, whose term does not expire until the end of 1956.

At the crowded annual dinner Monday, which was held at the Richland Country Club, Mr. Wade was given the "Insuror of the Year" award, donated



Officers of Insurors of Tennessee, photographed at the annual meeting in Nashville this week: Seated from the left, Russell H. Miles, Kingsport, outgoing president; W. P. Deese, Nashville, new president, and S. H. Warner, Memphis, 1st vice-president.

Standing: Sam Arnold, Knoxville, vice-president; J. Byron Taylor, Chattanooga, outgoing chairman, and Clifford Love, Nashville, outgoing treasurer.

by Cherokee of Nashville. This recognition, similar on the state level to the Woodworth NAIA award, was based on Mr. Wade's work as public relations chairman of Insurors of Memphis, during which time he popularized the automobile bumper sticker titled "Insuror or Insured." At the same time, J. E. Toohey, Kingsport, chairman of the accident prevention and traffic safety committee, was given the Frank E. McGlaughon safety plaque.

The unprecedented turnout was somewhat embarrassing to association officers in that dinner tickets ran short and the problem was to persuade people not to go to the dinner, instead of vice versa.

A good indication of how the meeting had clicked with Tennessee agents was given at the opening session Monday morning when R. E. Battles, Los Angeles, NAIA president, opened the meeting. The main ballroom was so jammed that Messrs. Miles and Goss were embarrassed while they pulled every wire known to convention officials to get more chairs brought in for the large number of standees. This pace continued throughout the meeting.

Following Mr. Battles, whose talk is reported elsewhere, Mr. Northington gave what was expected to be the usual appearance of the top insurance supervising official at the state meeting of insurance agents. Because of the circumstances, it turned out to be a most dramatic appearance. Mr. Northington said frankly that he had asked Mr. Goss to schedule him early in the meeting, so he could explain his position on advancement in office and thus not keep any Tennessee agent guessing about the official line up. His voice broke when he read a poem about his insurance career and his two frustrations in his march toward the Tennessee presidency. On the serious side Mr. Northington said his department and most agents agree that, after three years of turmoil, the homeowners policy situation seems to be settling down to a position of reasonable clarity. He

hopes that the same will eventually happen with commercial block insurance. His department approved the original filing of Inter-Regional Insurance Conference, despite many objections to it, just because he felt it was important to get the coverage established on a standardized basis. It has not as yet approved the revised filings, but Mr. Northington strongly implied that eventually there will be approval, because the new filing seems to be a step in the right direction.

Mr. Northington devoted considerable time in his talk to the subject of applications for new insurance companies in Tennessee. He said this is a difficult problem for any conscientious supervising official who is torn between preserving free competition in insurance and protecting the public from "fast buck" competition. There have been at least 18 approaches to the Tennessee insurance department about new companies during the past year, Mr. Northington said, mostly about life companies, but some about fire and casualty. He is determined to avoid, if humanly possible, the Texas debacle. The big problem, he said, is that the promoters can give the department a convincing story about the sale of stock, but do not sound so well when asked about the management of the proposed new companies. So far, he said, his department had been successful in withholding approval of any insurance project of which the promoters cannot assure him there will be sound insurance management.

The Monday afternoon session was the annual business meeting, featured by the election of officers and committee reports. Mr. Miles won a place in the hearts of most experienced con-



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"Greetings to the members of the Tennessee Agents' Association."

MONTICELLO INSURANCE COMPANY

Serving the Tennessee Agents in Multiple Lines.

Home Office—Nashville, Tennessee.



vention attendants by cutting his report short and refusing to repeat what was already in the reports of the various committee chairmen. He did point out that Tennessee, like most other states, will probably face a major threat of compulsory automobile liability insurance legislation next winter and asked agents to be ready to help when and if asked. Mr. Bailey reported on the two NAIA directors' meetings at Hartford and New York, describing the national problems which the agents have had to face and asking whether the stock casualty companies may not be weakening in their opposition to compulsory auto insurance.

There was a most interesting multiple discussion on the relations of Tennessee agents to their companies in conferences about forms and rules. L. J. Englert, Jackson, past Tennessee president, who is chairman of the Tennessee agents committee for conferences with company officials in connection with Midwest Agents Conference, briefly discussed the most recent meetings. He said that in his opinion the birth of the farm conference sub-committee is the most important development of recent years, because, up to that point, no one, agent or company executive, on the committees had known anything about farm insurance. Then he deferred to the other committee chairmen. Mr. Warner reported various developments, but said that the agents were stymied by the fact that the company representatives insisted that they could not discuss such important matters as homeowners policies and commercial block coverage, on the ground that these subjects were reserved to the jurisdiction of Inter-Regional Insurance Conference. As a result, Mr. Warner said, it may well develop that the Chicago conferences will lose much of the importance they have had for many years. Mr. Bandy, reporting as chairman of the casualty committee, got a reaction from his audience when he said that Tennessee agents, contrary to the standard NAIA attitude, will discuss commissions with anyone "at the drop of the hat." He said that late in 1955 a survey of membership, based on a similar action by the Memphis board, showed that a majority of Tennessee agents were willing to accept a reduction in commissions on automobile business, if the companies would be willing to go along and cut their profit formula to the point where the final premium would be competitive with the prices of the big independents. A conference with representatives of National Bureau of Casualty Underwriters and National Automobile Underwriters Assn. fluffed out when the latter point was raised, Mr. Brady reported. He said he believes, despite all the official stories to the contrary, that uninsured motorist protection will be available in Tennessee soon, maybe before the first of 1957.

Jack Frost, Clarksville, chairman of the rural agents committee, reporting as part of the same sequence, said that the situation is much improved but still has a long way to go. The company committee is recognizing rural problems and rural agents, but still thinks in terms of gigantic Wisconsin dairy farms and Illinois and Iowa farms with granaries loaded with thousands of tons of wheat or corn. As of now, he said, the company people presumably have not heard of tobacco farms in Tennessee or Kentucky, but he feels that the recognition of rural agents is good and will lead to favorable developments in the future.

## Beling Compares Old and New in Agency Methods

(CONTINUED FROM PAGE 7)

tomers' line folder, discusses his present protection with him, makes suggestions about protection needed and available, higher limits, etc., and gets an order for a new package policy—being careful, of course, to establish payment terms without antagonizing the customer. He described the modern efficient methods of preparing the policy and invoices, using carbon copies so that most of the vital records of the agency are prepared accurately and in one operation.

Field men, old and new, also came in for Mr. Beling's attention. The old-time field man would greet the agent with dignity, check and initial the policy registers pertaining to his company, exchange social amenities and leave, unless some loss adjustment or inspection work were needed. Today's field man, Mr. Beling said, must expect a barrage of questions on every conceivable phase of the insurance business, and the one with the most and best answers has the inside track in the agency. Mr. Beling closed his talk with a description of a number of new mechanical aids for the operation of both large and small agencies.

At the same session, J. H. Wetter, Memphis, educational committee chairman, reported the promotion of the Southern Agents Institute at the University of Mississippi last August. This project is theoretically restricted to agents in the territory of Southern Agents Conference, but, because of the closeness of the Memphis area to Oxford, Miss., the site of the university, the Tennessee agents were invited to participate. Seven Tennessee agents were present, Mr. Wetter said. The program was so outstanding that he believes next year's project will attract about 20 from Tennessee.

Mr. Tanner reported membership at 524, an all-time high. Clifford Love Jr., Nashville, treasurer and chairman finance committee, reported finances in excellent shape. Mr. Toohy described the work on his committee in promoting driver training among high schools in the state, saying approximately 600 students have benefited from new or expanded courses as a direct result. J. A. Holmes, Ripley, chairman fire safety committee, said his group has cooperated with junior chambers of commerce and assisted with six town inspections in the state.

J. B. Taylor, Chattanooga, immediate past president, was chairman of the nominating committee and Mr. Webb headed the resolutions committee. William Gove, St. Paul, gave a well received talk on salesmanship at the dinner.

Tuesday started with two breakfast conferences. Mr. Wade presided at the one for rural agents, at which B. R. Walinder of America Fore's western department at Chicago was the speaker. Mr. Warner was in charge of a panel discussion of the new commercial property filings at the session of the metropolitan agents committee. Following these sessions, W. S. Chandler, vice-president Phoenix of Hartford, opened the general meeting with a talk on rising agency costs, followed by H. D. Combs, vice-president U.S.F. & G., on claims service. The final session Tuesday afternoon featured L. V. Irvine, educational director of Travelers, on the importance of knowledge in salesmanship, and Hilton Butler, Tennessee safety commissioner, on traffic safety.

## Chandler Calls for Work, Cost Studies, Service

(CONTINUED FROM PAGE 7)

nize this and not delay adding to his staff.

In connection with rising costs, Mr. Chandler said that, although the total operating cost in dollars in all expense categories has risen considerably during the past five years, the actual cost percentages of each expense item, based on gross income, have not varied materially. Mechanization is important and seldom has an agent been disappointed in investing in machines which eliminate hand operations—calculators, postage meters, dictating machines, electric typewriters, etc.—even though the purchase seemed like a gamble at first. He said that many agents unnecessarily 'clog their files. For example, if a client telephones and asks a question, only rarely would an agent feel it necessary to make and keep a memorandum of the conversation, but, if the same question is asked in a letter, too many agents feel they must file it. He said it costs \$60 per week to file papers

in \$85 cabinets and take them out again, not to mention the cost of valuable floor space.

In striking a balance between service and profit, Mr. Chandler said a sampling of representative agents indicated that the top 15% of accounts receive about 85% of the professional service. He called this neglect of smaller accounts the "Achilles' heel" of the American agency system and urged agents to provide themselves with more time for contact with customers by divorcing themselves as completely as possible from office routine through delegation of authority. Turnover of agency personnel is costly, both in time and in money, and careful selection and paying better salaries to get and hold the right type of assistants will pay off in the long run.

Farm & Home has announced plans to build a new home office in Indianapolis at 2871 North Meridian street. It will be all aluminum and glass, the first of its kind in the city.

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There may be many types of coverage you could now be placing profitably—and probably aren't. Among these are coverage on unusual risks that domestic companies are unable to write . . . excess coverage over and above available limits . . . and surplus fire on a line where available facilities have been exhausted. Why lose these sources of income?

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## OHIO AGENTS' CONVENTION

## Seeks More Facilities for Regulation; Agents Again to Try for Competitive WC

CLEVELAND—The states have a real battle on their hands to retain regulation of insurance, and to do so they must regulate, Superintendent August Pryatel told Ohio Assn. of Insurance Agents at its annual convention here. For a state to regulate insurance, it has to have the authority and personnel to do so, he said. The Ohio department needs more money, space and personnel, and he invited the association to help the department in evolving a plan for its reorganization which, it is intended, will be sub-

mitted to the next legislature.

At another session of the convention, the association indicated that it will again attempt to break the state's workmen's compensation monopoly. R. D. Falconer of Toledo, chairman of the legislative committee, told agents how to sell private WC to employers, and then outlined his committee's activities aimed at making WC competitive so that agents can have a chance to use such selling techniques.

Mr. Pryatel pointed out that Ohio is one of the leading states in the country in production of premiums, but it



August Pryatel



Robert D. Falconer

stands 45th in the percentage of insurance money received for department operation. The Massachusetts department, for example, has 225 employees, Ohio has 57, about the same number as 20 years ago, he said.

He said the business must discharge a considerable part of the responsibility for making state regulation work. Agents and companies need to watch the business closely and act promptly when bad practices crop up, so that such matters can be dealt with promptly, before they become serious.

Ralph L. Humphrey, local agent of Ashtabula, and a state senator, said that in order to get more money for the department, agents need to arouse their legislative representatives to the problem.

Mr. Pryatel reviewed some of the legislation put on the books at the last session, including the so-called reciprocal law which went into effect July 1 and which amends the statute governing reciprocals so that representatives of such insurers shall come under the controlled business statutes. The latter provide that the principal amount of insurance written by such representatives shall be written on property other than that controlled by the representative.

Another piece of legislation, he said, gives the superintendent power to make rules governing A&S.

He emphasized the importance of the work of two committees of National Assn. of Insurance Commissioners, the one on installment sales and that on rates and rating organizations. The first has been dealing with refunds on auto physical damage coverage. He said \$70,000 in refunds to Ohio automobile owners have been made by one company, and this may go as high as \$250,000.

But what about the future? Ohio, he said, insisted that the NAIC committee also examine practices in group A&S and credit life sales. If his suspicions are true, he commented, in the next two or three years there will be a mighty big change in the writing of

(CONTINUED ON PAGE 30)

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# KEMPER COMPANIES RUN OCTOBER FIRE CAMPAIGN TO BOOST AGENTS' SALES

FEATURE BIG ADS IN 121 NEWSPAPERS FROM COAST TO COAST AND MORE THAN 80 INDIVIDUAL ADVERTISING PIECES TO ADD PUNCH TO AGENTS' LOCAL SALES CAMPAIGNS.

Last year the Kemper Insurance organization dedicated the entire month of October to a giant sales campaign to boost local agents' fire and property insurance volume.

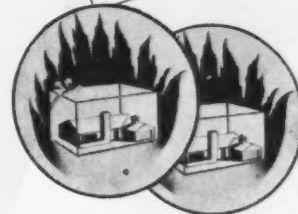
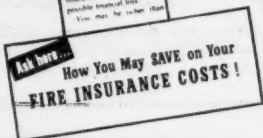
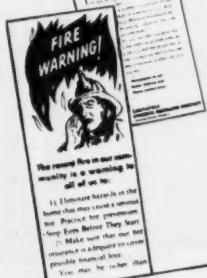
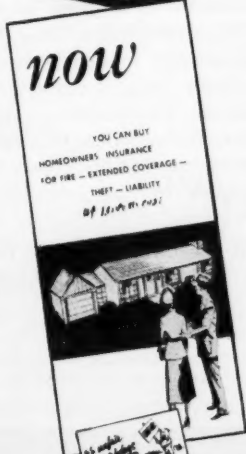
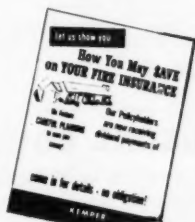
Result? More fire and package insurance was sold in one month than in any month in Kemper history!

Again in 1956 the Kemper companies will devote the whole month of October to a nationwide promotion to boost agents' volume in fire and property insurance. The campaign will include:

- Eye-stopping advertisements in 121 of the nation's biggest newspapers featuring:
  - ✓ Local agents' pictures and their local agency service
  - ✓ Low net cost insurance through policyholder dividends
- Colorful ads in U.S. News and World Report magazine
- More than 80 individual ad pieces to help agents' local sales campaigns
  - including folders, stickers, direct mail letters, etc.

**PLUS** — new, fast fire claim service providing in most cases 24-hour payment of losses.

If you are interested in representing this progressive organization write N. C. Flanagan, Executive Vice President, at the Home Office.



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## Two More Replies to Criticism of Blue Goose

THE NATIONAL UNDERWRITER has received two more responses to the letter printed in the Oct. 11 issue which offered the opinion that Blue Goose has lost sight of its objectives. Last week there was a reply from R. L. Wiseman of Washington, D.C., and this week V. M. Bradshaw of Richmond and Howard W. Bailey of Milwaukee are heard

from.

With the publication of these letters, the editors feel that this subject probably will have been aired sufficiently. It was not with the intention of stirring up a hornets' nest that Mr. Stickles' letter was printed. Mr. Stickles' opinions, of course, are his own. They are controversial, certainly, and the replies printed this week and last, the editors believe, offer an expression of the adverse reaction.

Mr. Bailey writes:

In your issue of Oct. 11 you published a letter written by one Mr.

Stickles regarding the Blue Goose having lost sight of its original objective.

In every organization, there are people who sit passively and let the other fellow do the work, and I judge from Mr. Stickles' letter he is one of these. Another thing is that Mr. Stickles should review the obligation he took when he joined this order, and he will then not be so free to write letters for the consumption of the general public.

There are a great many members of the Blue Goose who were disgusted with Mr. Stickles' letter and he should be so advised. Many of us have given much time to the promotion of this good order. The writer has served as most loyal gander of the home nest here in Wisconsin; deputy most loyal grand gander; and financial chairman of the golden anniversary convention committee here in Milwaukee in August this year, and I know what a lot of work and pleasure a lot of men got out of their activity in the order.

We in Wisconsin operate, I imagine, the same as other ponds. We have an employment committee and look after the unemployed, and a relief fund of over \$2,000 which can be used by our members in distress, and if this is not charitable, good fellowship, and an act of benevolence, then I don't know the English language.

Mr. Stickles should apologize to all members of the Blue Goose for a letter such as he wrote.

Mr. Bradshaw writes:

May I ask if you are a member of the Honorable Order of the Blue Goose, International? If not, your publication of a letter by R. D. Stickles of Atlanta, Ga., on page 15 of the Oct. 11 issue is in order and I have no complaint. If you are a member, I protest the publication of this letter inasmuch as certain portions of the article divulged to your thousands of readers certain secrets of the order imparted to members at the time of their initiation, and at which time they solemnly promise entitled to the aforementioned secrets.

Mr. Stickles has already violated the promise he made at the time he was initiated and, if you are a member of order, you have compounded this violation.

I feel quite sure that Mr. Stickles did not speak for the entire Georgia pond which is composed of nearly 400 fine members and I certainly feel that you should have investigated the state of affairs in the Georgia pond before publishing an article which can only give a black eye to a splendid organization of nearly 14,000 members.

## Indicate 2.6% Hike in Texas WC Rates

An over-all increase of 2.6% in Texas workmen's compensation rates was indicated at a hearing on that subject last week in Austin. Angus McDonald, casualty actuary of the department, said the loss ratio for manufacturing was 63.6% for the three years under consideration, for oil it was 65.2%, for contracting 69.2%, and for all others 65.7%. This would indicate a decrease in manufacturing rates of 1.2%, an increase of 1.3% for oil, an increase of 7.4% for contracting, and an increase of 2% for other groups.

William Clark, assistant secretary of National Council on Compensation Insurance, said Texas is close to other states in its method of determining WC rates.

Hearing on the extended coverage filing of North Carolina Fire Insurance Rating bureau has been set by Commissioner Gold for Nov. 16.

## Sept. U. S. Fire Losses Increase 6.3% over 1955

National Board has estimated fire losses in the United States during September at \$70,118,000, an increase of 6.3% over losses reported for September 1955.

The new figure represents a 6.4% decline over the \$74,930,000 losses of August 1956. Losses for the first nine months of 1956 now total \$731,203,000, an increase of 9.4% over the first nine months of 1955. Following are the nine-month loss figures from 1954-56

| Month     | 1956          | 1955          | 1954          |
|-----------|---------------|---------------|---------------|
| January   | \$96,972,000  | \$75,265,000  | \$86,493,000  |
| February  | 84,041,000    | 85,046,000    | 78,928,000    |
| March     | 89,315,000    | 88,197,000    | 84,821,000    |
| April     | 84,624,000    | 78,632,000    | 77,933,000    |
| May       | 87,681,000    | 71,789,000    | 62,282,000    |
| June      | 74,770,000    | 70,828,000    | 65,533,000    |
| July      | 68,752,000    | 61,614,000    | 69,532,000    |
| August    | 74,930,000    | 71,103,000    | 78,163,000    |
| September | 70,118,000    | 65,970,000    | 64,067,000    |
| TOTAL     | \$731,203,000 | \$668,444,000 | \$667,772,000 |

Minnehoma of Oklahoma and American Colonial of Philadelphia have been licensed to do business in New Jersey.

National Capital Pond of Blue Goose will hold its first fall dinner meeting Oct. 29 at Dodge hotel, Washington, D. C.

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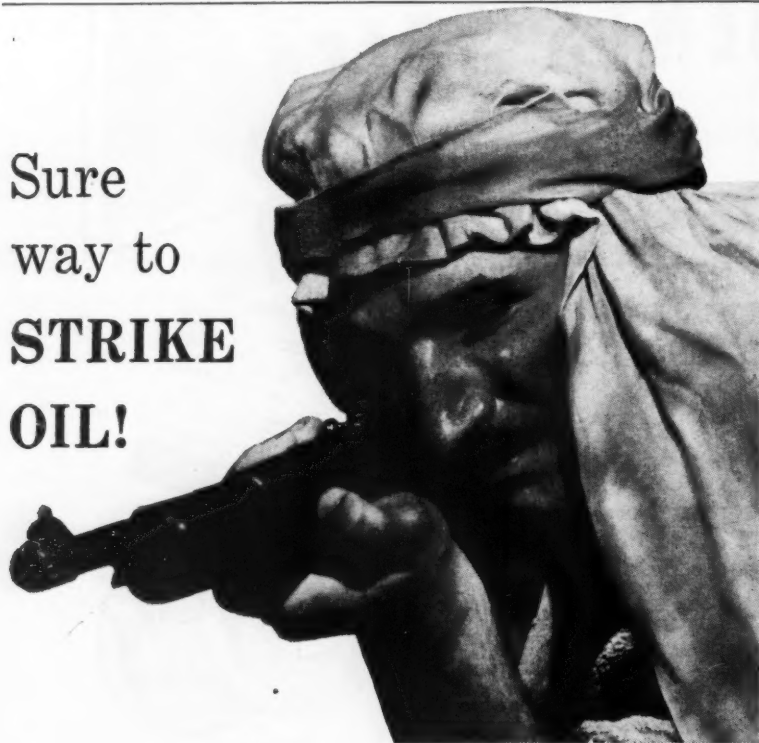
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American business activities in foreign lands are at an all-time high. So is your opportunity to insure them. This business originates all over our country—some of it probably among your own clients.

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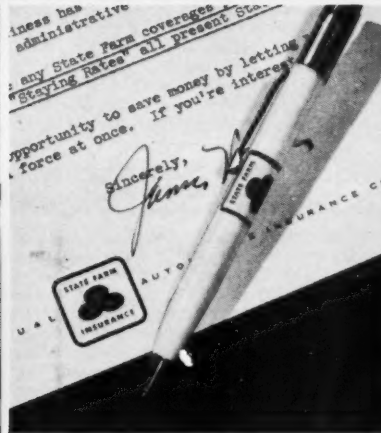
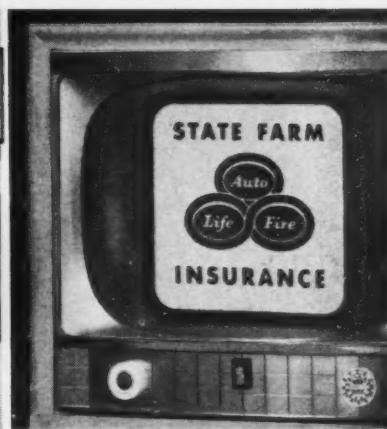
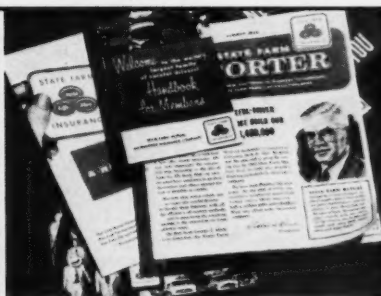
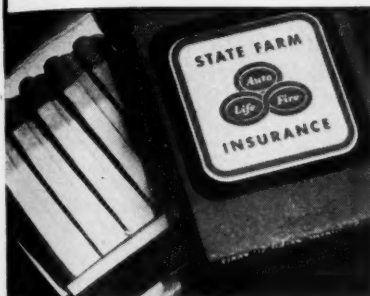
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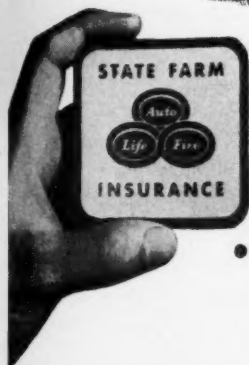
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## "700 MILLION REMINDERS"



Within the past year, State Farm Mutual Automobile Insurance Company ordered over 4 million Scotchlite bumper decals for policyholders' cars. These insignia featured a streamlined version of the company's longtime trademark.

Actually, this was just one step in a long-range promotional program. Objective: to give the State Farm emblem the widest possible circulation, and make it an even more familiar symbol to car owners.

Other steps were:

- to put it in magazine and newspaper advertisements and in television commercials
- to put it on metal highway signs
- to put it on agent office signs
- to put it on stationery and printed matter
- to put it on promotional materials used by agents.

State Farm estimates that the emblem will appear more than 700,000,000 times in 1956.

The attention to detail involved in the emblem program shows how State Farm approaches any problem . . . whether it be actuarial or promotional.

And it helps explain why State Farm has grown so fast . . . to a position where it insures more automobiles than any other company in the world.

This is another in a series of advertisements to acquaint you with State Farm Mutual Automobile Insurance Company, Home Office, Bloomington, Illinois. If you want to know more about any aspect of State Farm operations, simply write "Director of Public Relations".



## SEE them!

Call on clients and prospective clients with the confidence that you can serve any or all needs. With the facilities of "America's Department Store of Insurance" solidly behind you, you can create business where it never existed because you will have a broad understanding of the tremendous range of your client's insurance needs.



## SELL them!

With completely multiple line facilities in your sales kit, you have an immediate answer to every possible insurance need that your client may have. Accident, sickness, hospitalization... fire, allied lines and inland marine... all lines of casualty insurance... fidelity and surety... life insurance... employee-employer plans... no risk is too small, too large or too unusual to be considered for Continental coverage.



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By continuous and progressive research, Continental keeps you ahead of competition with broader, better, newer coverages, open-minded underwriting, sales and service facilities to open up new markets, new opportunities to grow and profit by better, more complete service to every client.



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## Convention Dates

Oct. 28-30, Kansas Assn. of Insurance Agents, annual, Broadview hotel, Wichita.  
Oct. 28-30, Illinois Assn. of Insurance Agents, annual, Springfield.  
Oct. 29-31, National Assn. of Independent Insurers, annual, Hotel Commodore, New York City.  
Nov. 7-9, Michigan Assn. of Mutual Insurance Agents, annual, Pantlind hotel, Grand Rapids.  
Nov. 8, Connecticut Assn. of Insurance Agents, annual, Statler, Hartford.  
Nov. 8-9, Illinois Assn. of Mutual Insurance Agents, annual, Kaskaskia hotel, La Salle.  
Nov. 11-13, Kentucky Assn. of Insurance Agents, annual, Kentucky hotel, Louisville.  
Nov. 15-16, Mutual Agents Assn. of New England, annual, Hotel Kimball, Springfield, Mass.  
Nov. 16-17, Kansas Assn. of Mutual Insurance Agents, annual, Jayhawk hotel, Topeka.  
Nov. 18-21, Indiana Assn. of Insurance Agents, annual, Claypool hotel, Indianapolis.  
Nov. 26, National Assn. of Mutual Casualty Companies, annual, Edgewater Beach hotel, Chicago.  
Nov. 26-28, American Mutual Alliance, annual, Edgewater Beach hotel, Chicago.  
Nov. 29, Insurance Federation of New York, annual, Waldorf-Astoria hotel, New York City.  
Dec. 3-7, National Assn. of Insurance Commissioners, semi-annual, di Lido hotels, Miami Beach.

## Service on Insurer Covers All Parties, Court Says

Wisconsin supreme court has affirmed a Milwaukee circuit court decision holding that service of notice of injury on an automobile insurer was sufficient even though there was no service on the person or corporation by whom the alleged damage was caused.

Norman Will, whose son was injured in April of 1953, served notice on General Accident one day before the expiration of the two year time limit in a suit against General Accident, Ideal Laundry Co. and its truck driver, Herbert Jessen. The court said Mr. Will was not required to serve notice also on Jessen and Ideal Laundry.

## Widow Can't Sue Insurer for Husband's Death Drive

Wisconsin supreme court has denied a widow the right to sue her husband's automobile insurer for \$10,000 damages for injuries she suffered as a result of his suicidal driving. The widow was riding in the front seat of the car with her husband near Baileyville, Kan., in 1953 when a passenger in the rear seat commented about his slow driving. The husband said, "If that's the way you want it, let's all die." He increased the speed to 55 miles an hour and ran into a bridge deliberately. The widow was attempting to sue Home Mutual Casualty, but the court said neither husband nor wife may maintain an action in tort for damages against the other, and it made no difference that this suit was against an insurer.

## Five W. Va. Leaders in Fire, Casualty Given

West Virginia Insuror, publication of West Virginia Assn. of Insurance Agents, calls attention to the fact that for 1955 the five leading companies in direct fire premiums written in that state were Home with \$1,352,171, Continental \$1,213,641, Blackstone Mutual \$551,380, State Farm Fire & Casualty \$482,192, and Aetna Fire \$473,921.

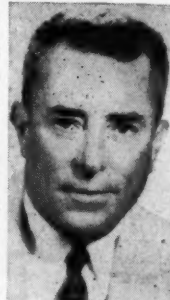
The five leaders in casualty and miscellaneous lines were State Farm Mutual with \$5,020,712, Nationwide \$4,233,342, Motors \$3,122,813, State Automobile Mutual of Columbus \$1,933,359, and Aetna Casualty \$1,710,454.

## Thornton Heads Tex. Local Board

Big Spring (Tex.) Assn. of Insurance Agents has elected Jean Thornton as president, M. L. Patterson as vice-president, Lawrence Robinson as treasurer and Mrs. Ethel Mae McCracken as secretary.

## "May I Have A Word With You?"

If you're one of the many agents considering a change in companies for 1957, I invite you to contact our Agency Superintendent of our branch office nearest you (they're listed below).



MR. JONES

Have one of our special agents explain to you the advantages of a Buckeye Union contract. There's no obligation, of course, and you may discover you're passing up a wonderful opportunity to do more for your clients and further yourself at the same time.

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Cambridge—310 S. Twenty-fifth Street

Canton—1642 Cleveland Avenue, N. W.

Chagrin Falls—62 East Summit Street

Cincinnati—900 Fifth-Third Bank Building

Cleveland—1420 N.B.C. Building

Columbus—151 East Broad Street

Dayton—413 Third National Building

Lima—705 Cook Tower

Mansfield—458 Park Avenue, West

Toledo—926 Spitzer Building

### INDIANA

Indianapolis—1446 Consolidated Building

Fort Wayne—703 Gettle Building

South Bend—1302 Browne Lane

### MICHIGAN

Grand Rapids—299 Federal Square Building

### PENNSYLVANIA

Pittsburgh—1317 Investment Building

### WEST VIRGINIA

Huntington—Box 1301

### KENTUCKY

Serviced from Cincinnati office

A special agent out of any of these offices will be glad to give you details. Just drop a note to the branch manager nearest you.

F. E. Jones  
PRESIDENT

## BUCKEYE UNION INSURANCE COMPANIES

Fire — Casualty

Columbus 16, Ohio



# Fire and Casualty Insurance

## COMMENTS - TRENDS - OBSERVATIONS

### Planning for Changing Market Vital Factor in Insurers Growth, Mutual Executives Told

Management planning for the changing insurance market was discussed in detail before the joint annual meeting of Federation of Mutual Fire Companies and Mutual Insurance Advertising Sales Conference at Cincinnati by Frank Lang of Frank Lang & Associates, Chicago.



Frank Lang

He said insurance is in a period of tremendous change in its markets. Population is growing faster, there are more shifts in people and industry between and within states, more new families, a higher per capita income, more automobiles, more homes—all creating vast needs for insurance protection while at the same time creating a market potential that has stimulated competition.

Many fire and casualty companies in planning to obtain their share of the market do nothing but let events take their course, Mr. Lang observed, while others hope for an increase, and some set goals and a few give their sales planning top management consideration.

For the company deciding to take its sales planning seriously, the question is what approach should be used. Past experience, Mr. Lang commented, is too often limited by its narrow and old fashioned viewpoint. In the last few years tremendous strides have been made in the development of new tools and techniques which can be applied in obtaining new facts. "No longer can we afford to use the hit-and-miss method... we must learn not only how we can better reach our present policyholders but more important how we can tap potential ones."

He reviewed six areas of insurance merchandising in which planning is important.

"Should the coverage or line be sold at all?" is the first question management should ask, Mr. Lang said. "Looking at the results of a number of insurance companies during the last year, one wonders whether they would not be better off as investment trusts and forget the insurance business." However, if the company decides to go ahead and sell new coverage, it should also try to obtain some answers prior to making a decision.

These would include whether the resources can withstand the additional line, whether top management can give it sufficient attention, whether the staff is trained to take on the new responsibilities, whether service offices are equipped, whether there are proper distribution channels, and how existing

or proposed legislation effects the new lines.

The home office staff may be sold on the value of the new coverage, yet it could be a dismal failure if the agency force is unwilling to put it over to the buyer. Sales planning may suggest using different marketing channels for the new lines than those for existing coverages.

The next question is the type of policy to sell, and Mr. Lang said this preparation deserves careful planning. Among the items to be considered here are whether present coverages meet the company's particular policyholders' needs, what new types of coverages should be developed, whether the new policy will be accepted by the policyholders for whom it was primarily intended, whether the coverages are geared to the changing needs and preference of the market, in what form or packages they should be issued, and whether savings can be brought about through simplification of form and reduction in number of coverages.

Any unique creative thinking along these lines must be done by each company individually, Mr. Lang remarked. It is important to watch what the competitors are doing, but this yardstick alone will keep the company that is doing the watching always in the back seat.

He told the mutual executives that if they think they have gone as far as they can in coverage extension, there are many surprises in store. The buyer, Mr. Lang commented, is getting increasingly sophisticated, and studies show there is an increasing demand for more comprehensive policies on one hand and a desire for deductibles on

the other. A lot can be learned from the policyholders or agents, but a survey of their desires should only be a start in the total analytical sales planning process.

"Have you looked at the number of policies, endorsements, forms, etc., which your branch office or agency is supposed to carry?" he asked. "I think that you will be astounded when you do some counting—don't forget all this is costing you hard-earned money which must come out of the premium dollar."

The next step is to plan the territories in which the new lines will be sold. Many companies, Mr. Lang remarked, still think of their market in terms of agencies or accounts they presently show on the books. Appointing as many agents as possible and hoping they will bring in a sizable volume of business has proven both ineffective and costly under current competitive conditions. "Do you know how much your company has penetrated in areas which you are primarily interested to reach?" he asked. "Do you know where your greatest potential markets are? Perhaps we should first ask, 'what thought have you given to setting up market potentials?'"

Top management should know what coverages to push in what markets and is entitled to complete answers, he said.

Determining market potential begins with the total market under ideal conditions and assuming that all underdeveloped markets would increase their insurance purchases to the maximum. This is reduced to the entire actual insurance market and what over-all volume a company would be able to secure if it had no competition. Then it is further reduced to the actual markets of the lines the insurer is selling, and finally to the share of the market which is the insurer's goal. The last is the sales potential, the maximum fea-

(CONTINUED ON PAGE 37)

### Suggests Unlimited Fire Policy Term to Cut Paper Work

John A. North, president of Phoenix of Hartford, suggested issuing fire policies for unlimited



John A. North

terms as one method to reduce paper work and multiple handling expenses, in a talk before the annual meeting of Insurance Accountants' Assn. in Hartford. He indicated that current state laws specifying the maximum number of years

for which a fire policy may be issued are obsolete and serve little purpose. Policies then could be written for long periods of time or might even run parallel with the duration of a mortgage, Mr. North pointed out. The resultant reduction in expenses would be immediately apparent since there are probably more daily reports for dwellings in insurance company offices than for any other class of business except automobiles.

To overcome the immediate objection from agents that such a move would tend to freeze the business, Mr. North said the short rate cancellation provision on this class could be removed. The policies could be endorsed for any necessary changes as is done now. It would save expense and would be fair to insured if either upward or downward rate changes were made applicable only at anniversary dates or when renewal premiums were sent out. Such notices could be on cards designed for punching when returned.

A realistic minimum premium would be necessary to cover the expense of handling small policies, and an initial premium, based on the first three years at 2½ times the annual rate, would be necessary to afford sufficient initial payment to cover the expense of the initial handling, he pointed out. If the first three-year premium was a large one, it could be financed, but

(CONTINUED ON PAGE 36)



Commissioner Robert Taylor of Oregon, president of NAIC, with Mrs. Taylor, Commissioner Lewis Miller of West Virginia and Mrs. William Leslie Jr., whose husband is manager of National Council on Compensation Insurance, at the joint casualty convention at White Sulphur Springs.



President Edward L. Mulvehill of American Reinsurance with Alan O. Robinson, president of Yorkshire at joint casualty meeting.

## Md. Agents Elect Thome President at Baltimore Annual

Maryland Assn. of Insurance Agents elected Robert J. Thome of Baltimore president at the annual convention in Baltimore.

Other new officers are H. H. McFarlin of Riverdale chairman, Truman B. Cash of Westminster executive vice-president, J. Vernon Coblenz of Frederick state national director, Joseph C. Hlavin of Baltimore secretary and George M. Dallas of Salisbury treasurer.

Mr. Thome entered insurance in 1910 with the J. Ramsay Barry agency in Baltimore. In 1913 he moved with the Lee E. Hartman agency in Baltimore as chief clerk. In 1929 he was elected secretary of the Hartman agency and became head of the insurance department. Mr. Thome resigned from the Hartman agency in 1946 to establish his own agency.

He served as chairman of the executive committee of the Assn. of Insurance Underwriters of Baltimore for three years. He has served on the board of Maryland Assn. of Insurance Agents since 1951, and in 1953 he was elected treasurer of the association, secretary in 1954, and executive vice-president in 1955.

## Schwab Says Business Must Work Together to Stall Compulsory

The biggest problem in fighting compulsory auto insurance is getting the companies to work together on a positive and direct approach to the uninsured motorist question, Arthur L. Schwab, local agent of Staten Island, declared in a talk at the annual meeting of South Carolina Assn. of Insurance Agents at Myrtle Beach.

Mr. Schwab, head of the public relations committee of the New York state association, said it became apparent, during the recent New York legislative fight on compulsory, that solving the problem of financially ir-

responsible motorists was considered by the legislators and by many leading newspapers to be a social problem and that existing safety responsibility laws were not enough.

He said it did little or no good continually to point out that the basic problem of safety was being ignored and that what was being created was merely a bounty for those who happened to be killed or injured by financially irresponsible motorists.

He cited the events leading up to the passage of New York's compulsory law and said it was obvious that much more than merits and demerits of the measure entered the picture. If the political maneuvering before the bill became law is any indication, he cautioned, it will always be a hot political potato to be kicked around without too much regard to the benefits or defects of the coverage required. He said his association feels that had the uninsured motorist endorsement become available a year earlier and had the companies made the coverage available to those persons not presently covered by the UM endorsement, there would be no compulsory in New York today.

## Urge Rates That Will Give Mass. Auto Cover Market

At its annual convention in Boston, Massachusetts Assn. of Insurance Agents adopted a resolution urging the companies and the insurance commissioners to cooperate to maintain adequate compulsory automobile rates so that a free and open market may be maintained. The resolution pointed out that the insurers, when the state fails to permit adequate rates, tend to restrict the market to the detriment and inconvenience of automobile owners. With such a market, the agents are unable to provide the kind of service to which the public is entitled.

The resolution pointed out that the compulsory law places on the insurance business the responsibility of maintaining a free and open market for automobile insurance where the public can get proper and efficient service.

The association also commended Commissioner Humphreys for his department's action in compelling return of automobile physical damage overcharges of \$24 to \$75 apiece to financed automobile insurers, due to error in classification. The department was urged to continue its vigilance.

Daniel M. Walsh Jr. of Springfield was elected president, Clifford E. Dunn of Fitchburg and Francis W. Phelan of Cambridge vice-presidents, and Robert G. Dowling of Hyannis, the retiring president, state national director.

## Ohio Farmers Files UM Countrywide

Ohio Farmers has filed uninsured automobile coverage in all states. This is substantially the same coverage as the uninsured motorist endorsement in use by the stock companies in New York.

## Charges New Orleans Insurance Unit Shuns 25% of City's Agents

Arthur G. Levy of New Orleans, president of Louisiana Assn. of Mutual Insurance Agents, has charged that an estimated 25% of New Orleans local agents are excluded from participating in commissions on insurance placed by the city.

Furthermore, Mr. Levy complained to New Orleans newspapers, many agents are excluded from acting in an advisory capacity on insurance problems of the city. In addition, he said, the agents that do share in the commissions are hand picked by the city insurance committee, which, he said, is composed of members of New Orleans Insurance Exchange, a stock company agent organization. He stated that no other insurance group in the city is allowed to act on an advisory basis on insurance matters.

The exchange is currently involved in a federal suit charging violation of anti-trust laws.

### TELEVISION NEWS FROM PRUDENTIAL

THE NEWS: A dramatic, new 26-part series showing the development of flight from the early days of Rickenbacker and Lindbergh up to the present jet age . . . to be seen as part of the "You Are There" series. THE TITLE: "Air Power." PRODUCED BY: CBS

Public Affairs in full cooperation with the U.S. Air Force. NARRATED BY: CBS News Correspondent, Walter Cronkite . . . plus Winston Churchill, Art Carney, Michael

Redgrave, Jimmy Doolittle and Eddie Rickenbacker. THE SOURCES: 300 million feet of film from the U.S. Air Force, The Royal Canadian Air Force, The Library of Congress, The U.S.

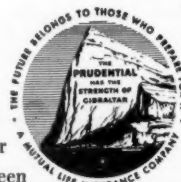
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## Education Key to Agent's Success, Redding Declares

Education is a key factor to the agent's success in today's highly competitive insurance market, Amos E. Redding, secretary of Aetna Casualty, said at the annual meeting of Maryland Assn. of Insurance Agents in Baltimore.

He pointed out that the business has never seen so many changes as in the

last five years and that today's agent must adopt a positive and constructive approach to his work. The public is increasingly turning to the best informed agents for its insurance service, he declared. Since insurance is sold fundamentally on the basis of confidence, it is difficult for the uninformed agent to create confidence and to compete against the energetic efforts of those who know what it's all about.

Rather than being reluctant to ac-

cept new developments, Mr. Redding said that agents should embrace them for the opportunities they offer, the fields they open up and the improved protection they provide. Examples are the new family auto policy, the broad form personal theft form and the new mercantile property coverage. But, he said, genuine command of new forms is basic to taking advantage of the opportunities they create. In addition, the agent must be able to apply this knowledge in a persuasive way to the buying public.

## Must Fight Government Intervention on Idea Level, Houston Says

Private insurance cannot afford to wait for direct government competition but must first battle the idea of federal intervention, Charles T. Houston, assistant manager of U. S. Chamber of Commerce's insurance department, told the annual meeting of Maryland Assn. of Insurance Agents in Baltimore.

It is too late to meet government intervention in the market place, Mr. Houston said. It is difficult to compete with a hand-out, direct or indirect. Direct government competition is not the chief concern. It is the inclination of people to turn readily to government for protection against economic loss.

When the government moves into a business field to meet an emergency it creates an agency that affects a great many individuals—even whole communities. Often it acquires a staff of considerable proportions, locally and nationally. In such cases there is a reluctance and resistance to abandon it to private industry even when the need for government intervention has ceased.

Insurance agents cannot meet government as a competitor and succeed, Mr. Houston continued. The government pays no taxes as a big cost of doing business and through subsidization can offer a lower net price to the buyer.

The time to meet doctrines that advocate government intervention is before the fact, Mr. Houston said. It is imperative that the business accept the challenge and go into action. To the extent there is willingness to accept the risks of life and enterprise, there will be demands for government protection. Wherever these demands are met by government, private insurance must give way to some form of socialized program. The portion of the market so withdrawn may be lost forever. An offer of free security, makes for tough competition and it must not be underestimated.

He listed some 16 insurance activities the government is currently engaged in, including mortgage insurance, ship mortgage insurance, government employees' compensation and the new flood indemnity program.

Businessmen are becoming more and more concerned with federal encroachment, Mr. Houston pointed out. The U. S. chamber joined recently with NAIA to successfully oppose the establishment of a government insurance fund in Federal Housing Administration, he observed. The victory was the result of organized action.

The fight against intervention must be won through public relations, Mr. Houston declared. The business community is becoming increasingly aware of this and here must be a continuous development in this field, he said. He urged agents to create the best public impression by giving their best services. Demands that government be substituted for the agent's services could gain no greater impetus than his failure to meet the public demands for protection.

The insurance business has reached more people, covered more risks and has devised better coverages year after year, thus proving it is dynamic, growing in volume and quality. The excellence of the facilities it has developed gives it a positive reply to those who say it is a job for the government, Mr. Houston said.

# Want to be better known?



"In the insurance business, people say it isn't what you know, it's whom you know.

"What I say is . . . it's how folks know you that counts!

"If they know you as an insurance agent, that's good. But if they regard you as their *Protection Agent* . . . that's a lot better!

"I use the National's advertising to make myself better known in my town. The prestige of being *Protection Agent* pays off.

"Want to do likewise? Ask your National of Hartford Field Man for free ads you can use!"



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## It happened on Long Island...

—and it was a unique event in the insurance industry! Nationwide policyholders met with Nationwide agents to talk over their common problems. They told their agents what they liked and didn't like about Nationwide...what they felt was needed in the way of new coverages, new policies, new services. In short, they *talked turkey!*

An original idea? Indeed it is...but Nationwide's policyholder meetings don't stop at the Agent level. Representatives are then chosen to attend *Regional* meetings. These meetings, in turn, select delegates to attend an annual 3-day meeting of Nationwide's ADVISORY COMMITTEE OF POLICYHOLDERS at our home office in Columbus, Ohio with top Nationwide management.

No wonder so many business leaders today are watching Nationwide's Advisory Committee program, which attracted more than

20,000 policyholders during the past year!

No wonder Nationwide is proud of Long Island Agents Max Ikle, Walt Putland and Joseph Longaro. These three men *alone* played host to more than 200 of the 450 policyholders who attended these local meetings on Long Island in the past year!

Joe Longaro's experience is good evidence that Nationwide's program of policyholder-participation will continue to grow. After his meetings, Longaro received dozens of phone calls from policyholders—they just wanted to tell him they thought it was an excellent idea...

...and many who could not attend heard about the meetings they had missed and promised that they would be sure to attend the next one. So in the months ahead, chances are that many a Nationwide policyholder will take the floor to take an active part in shaping the future of Nationwide Insurance.



Agent A. Max Ikle  
Albertson, L. I.



Agent Walter H. Putland  
Hempstead, L. I.



Agent Joseph Longaro  
Plainview, L. I.



At all meetings, Nationwide policyholders form small groups to thrash out specific subjects that are raised—subjects like traffic safety, insuring the youthful driver, merit ratings for safe drivers, etc. The views of the "panel" on their assigned subject are then presented to the entire body for possible referral "up the line" to the Company-wide meeting in Columbus.



# NATIONWIDE

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## EDITORIAL COMMENT

### Illinois and the Case for U.S. Control

The lurid stories about the way the state of Illinois handles the admission of out-of-state insurers may seem like a serious black eye for state regulation and, by implication, another strong argument in favor of federal supervision.

Actually, we believe, the exact opposite is true, even assuming that the Illinois picture is worse than it has been painted.

This is not to say that the kind of thing that has been described as happening in Illinois is good for the insurance business or for state supervision. But it does serve to illustrate why the insurance business is far less vulnerable to damage under state regulation than it would be if it were responsible to a single federal supervisory authority.

At worst, a single state can harass some of the companies on some of their operations. Substitute "all" for "some" in that sentence and you have a description of what could happen under an inefficient or corrupt federal regulatory authority.

Much of the argument for federal supervision of insurance rests on the supposed higher standards of regulation that prevail in the federal government as compared with the states, or at least compared with some of the states. But as long as human nature is what it is, some human beings will continue to be born with built-in itchiness in their fingers. The record shows that manifestations of this characteristic are not confined to any political party. Nor is the federal government noticeably less vulnerable than the state governments to these predatory tendencies. In fact, the main difference between the federal and state variety seems to be that though such occurrences are more frequent among the states—because there is 48 times the exposure—the federal scandals are juicier, fancier, and build up to more fantastic proportions before being exposed and rectified.

What a corrupt federal insurance department could do to the insurance business before being caught and corrected is appalling to think about. Money losses would be only a part of it. The damage that could be done to the far-flung and highly sensitive business of insurance would long outlast the inevitable ejection of the rascals responsible.

Even aside from the greater potential damage the insurance business would be exposed to if it were under a federal regulatory authority, it is difficult to see where it would make any sense. Insurance is so much a local business that there would have to be a vast network of local branches duplicating what the states do now.

It is not as if a central office at Washington could offer any savings through greater efficiency. The insurance business is so big that consolidation of state regulatory operations into a single federal department could not effect any appreciable savings.

So whatever flaws may be found with the operation of state insurance departments from time to time, critics of state regulation should remember that defects are due to human beings and there is no evidence that the human beings at Washington are any less fallible than those in the various state capitals. If anything, people seem to get bigger ideas when they go to Washington. If these ideas run to political profiteering, the opportunities in Washington are bigger, while the victims back home have a harder time getting a hearing than they would if a state government were involved.

The reasons for preferring state supervision to federal are somewhat analogous to the reason why the duPont company manufactures dynamite in small buildings sufficiently isolated from each other so that if an explosion does occur, despite the almost fantastic precautions, the damage will be limited. Putting all the insurance regulatory authority in Washington is about as sensible as making the manufacture of dynamite more "efficient" by putting it all in one big building.

## PERSONALS

**Miss Sally Jane Skutt**, whose father is president of Mutual Benefit H. & A., was queen of the Ak-Sar-Ben ceremony last week at Omaha.

**Commissioner Robert B. Taylor** of Oregon, president of National Assn. of Insurance Commissioners, on an official visit to the Arkansas department last week was officially commissioned an "Arkansas Traveler" by Gov. Fau-

bus. Official witnesses to the ceremony were **Commissioner Harvey Combs** of Arkansas and former commissioner **J. Herbert Graves**, now vice-president of National Old Line Life. Mr. Taylor was accompanied by Mrs. Taylor on his trip to Arkansas, and spent the week-end at the home of Commissioner Combs.

**Robert A. Dwyer**, new executive vice-president of National of Hartford, started with the company in 1929 at Hartford. After field work in Pennsylvania, he returned to the home office in 1939 as agency superintendent. He filled various executive posts throughout the next ten years and was named vice-president and secretary in 1952.



Robert A. Dwyer

**Kenneth O. Smith**, new manager of New York Fire Insurance Rating Organization, has been assistant manager since 1953. He succeeds H. Sumner Stanley who has gone with Factory Insurance Association. Mr. Smith started with NYFIRE at Buffalo in 1937, became district secretary at Rochester in 1949 and director of special risks at New York in 1951.



Kenneth O. Smith

**Mrs. Marge Guemmer**, named executive secretary of Missouri Assn. of Insurance Agents at the annual meeting, has been with the association for two years. She has been acting executive secretary since June 1. Prior to joining the association, Mrs. Guemmer was with Jefferson City (Mo.) chamber of commerce. She is a graduate of Northwestern University's three-year course for executives of trade associations and chambers of commerce, is married and has a two-month old granddaughter.



Mrs. Guemmer

**Byron J. Moore**, state agent for American Indemnity in Indiana, Kentucky and Tennessee, is in Methodist hospital at Indianapolis for an operation.

**Frank J. Lowrey** of Pawtucket, new president of Rhode Island Assn. of Insurance Agents, was an adjuster and a special agent before entering the local agency business in 1949. He is a past president of Rhode Island Claims Assn. and of Providence College Alumni Assn.



Frank J. Lowrey

**John W. Hemphill** of Painesville, the new president of Ohio Assn. of Insurance Agents, entered the business in his father's agency in 1936. He was the moving spirit behind organization of the only two-county board in the state, Lake Geauga counties board, and was its first president. He served the state association first as a trustee at large and then as representative of the seventh district when it was first created.



John W. Hemphill

## DEATHS

**PHILIP G. CLIFTON**, 70, retired vice-president of Marsh & McLennan at Detroit, died at San Jose, Cal. Mr. Clifton began his insurance career in 1905 with the old German-American, where he advanced to a senior underwriting position. In 1919 he went with Lloyd Thomas Appraisal Co. in Michigan and Illinois, and in 1926 he joined Marsh & McLennan. He was resident vice-president in charge of the Indianapolis office before going to Detroit as vice-president.

His son, Fred T. Clifton, is a vice-president of the San Francisco office of Marsh & McLennan.

**LESTER C. GIFFORD**, 60, secretary of Home, died. He lived at Garden City, L.I. He joined Home in 1917 as a recorder. He was elected assistant secretary in 1939 and secretary in 1952. Recently he was placed in charge of Home's habitation division. Mr. Gifford was a past president of Automobile Underwriters Club of New York and a life member of Insurance Society of New York.

**DONALD J. KEYES**, 51, for many years active in the workmen's compensation field and more recently a broker at Los Angeles, died. For a short time he was with National Council on Workmen's Compensation Insurance and on the council's recom-

### NATIONAL UNDERWRITER

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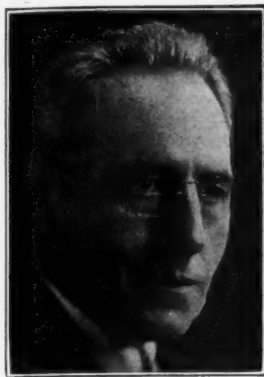
**SAN FRANCISCO 4, CAL.**—532 Market St., Tel. Exbrook 2-3954. A. J. Wheeler, Pacific Coast Manager.





mentation was employed by the Chilean government to organize and set up its workmen's compensation department. Later he was for some years in Mexico City as claims representative for some 50 insurers, and he also was employed by several states in a consulting capacity. For a time he was an assistant commissioner of Arizona. For three years he was with the California department as a test auditor for workmen's compensation.

**JOHN J. O'TOOLE**, 66, vice-president and secretary of the F. D. Hirschberg & Co. general agency of St. Louis, died at his home in University, Mo., following an illness of several months. Mr. O'Toole began his insurance career in 1905, at the age of 15, as an office boy and policy writer for Phoenix of Hartford's state agency in St. Louis. In 1915, he joined Mis-



JOHN J. O'TOOLE

souri Inspection Bureau as an inspector and rater, and was with the bureau during World War I working with the U. S. Secret Service on manufacturing risks. Mr. O'Toole joined Hirschberg & Co. in 1919 as chief clerk and had been with the agency since that time.

Throughout his business career, Mr. O'Toole contributed much of his time to national and local insurance organizations and public service. In 1930, he was chairman for St. Louis of a 1,000-member group which helped defeat a referendum to set up a state compensation fund. In 1935, he was elected to the executive committee of Underwriters Salvage Corps and continued in that post until the corps ceased operations at the beginning of 1926. He also served several terms as president of the administrative group of the Salvage Corps.

Mr. O'Toole was secretary-treasurer of the Missouri Assn. of Insurance Agents in 1939, was later state national director, served as president in 1948 and board chairman in 1949. He was president of Insurance Board of St. Louis from 1939 to 1942, being the first man to hold three consecutive terms. He was chairman of the board's legislative committee in 1943, president of the executive committee in 1946.

In 1949, he was vice-chairman of the fire prevention committee of National Assn. of Insurance Agents and from 1948 through 1954 was chairman of the fire safety committee of NAIA. In 1951, Mr. O'Toole received the Woodworth Memorial Award, the highest honor bestowed by NAIA.

In 1953, Mr. O'Toole was appointed to the fire prevention committee of National Fire Protection Assn. and in 1954 was named chairman of the fire and accident prevention committee of Insurance Board of St. Louis.

Despite his illness, Mr. O'Toole spent several hours visiting with friends during the annual meeting of

Missouri Assn. of Insurance Agents at St. Louis. He appeared to be making progress toward complete recovery, but apparently a heart complication caused his death.

A son, Joseph J. O'Toole, is with Hirschberg & Co.

**FRED H. RICE**, 74, retired president and treasurer of Buffalo Fire Office Inc., died. He spent 17 years with Buffalo Fire Office. He entered the business several years later and became its president.

In 1937, he acquired controlling interest in the fire office.

**HERBERT W. MASTERS**, 75, special agent of Lititz Mutual in eastern Pennsylvania, died at his home in Ardmore, Pa. He had been with the company since 1935.

**W. B. WESTOVER**, 57, a prominent insurance attorney at Los Angeles, died at Palm Springs. From 1942 to 1945 he was administrative assistant in the Los Angeles office of the California department.

**IRVING T. ILLING**, local agent at Milwaukee, died at his home of a heart attack. His wife, Helen, operated the agency for him during a recent two year illness.

**EDWARD L. RUHL**, 61, a partner in the Ruhl & Ruhl general agency of Davenport, Ia., died there of injuries suffered when an explosion leveled a Bettendorf home which he was touring with the builder. The cause of the explosion has not been determined. Mr. Ruhl was buried under the roof and debris when the house collapsed after the explosion. Two brothers, C. Arthur Ruhl and John H. Ruhl, are partners in the agency.

**CHARLES D. WIKOFF**, 52, local agent of Columbus, O., died at his home after a sudden illness. He was past president and treasurer of Columbus Exchange club and was governor of third district of National Exchange club. He started in insurance in 1924 with his father, who founded the agency in 1895.

**DANIEL A. SPAIR**, 62, former director of New Jersey workmen's compensation board, died of a heart attack at his home in Trenton.

**WALTER L. KASSUBA**, 50, local agent at Milwaukee, died at his home there of a heart attack.

**P. S. CRAWLEY**, 76, local agent of Montclair, N. J., died of a heart ailment in St. Vincent's hospital there.

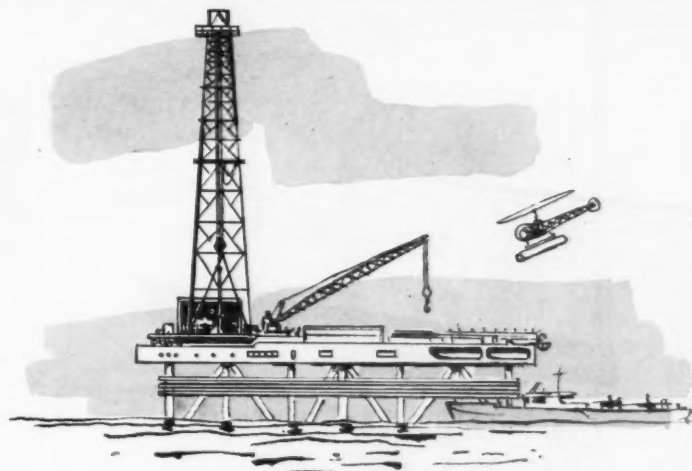
**TRUMAN D. HAYES**, 75, local agent of Boston, was killed when struck by a car in San Francisco. He had been in insurance more than 40 years.

**GEORGE M. WOLFF**, 70, head of the Wolff agency at Louisville for more than 40 years, died.

**SAMUEL J. LEVIN**, 58, president of Reliable agency of Cleveland, died of a heart attack following an operation.

### Auto Club of So. Cal. Approved for Auto BI

Automobile Club of Southern California has filed with the department and had approved an amended certificate of authority to enable it to write automobile bodily injury liability. It will be recalled that this business previously written through the auto club has been handled by Standard Accident, and that agreement is being terminated.



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## Kohly Agency of Havana Marks 100 Years with L.&L.&G.

The G. F. Kohly agency of Havana has marked 100 years of representation of Liverpool & London & Globe. C. F. Trustam, general manager of the Royal group, who recently arrived in the U. S. from England, was at Havana for the occasion.

The 100 years of agency operation has been directed by only two members of the Kohly family. Mr. Kohly's father, Richardo P. Kohly, began the family's insurance career in 1856 when, at 19, he became a junior member of the firm of Scharfenberg, Tolme & Co. In 1871 the firm became Scharfenberg, Kohly & Co., and seven years later Mr. Kohly assumed sole direction of the business under his own name.

Guillermo F. Kohly, the present head of the agency, joined the firm in 1900 at 18. He was given general power of attorney in 1901 and has had charge of the business since.

The senior Kohly died in 1926 and the following year another son joined the agency, Dr. Alfredo. Kohly, who now is executive vice-president.

The firm observed its centennial anniversary in its modern offices at 113 Empedrado street in a building which G. F. Kohly constructed and owns. The building features fire resistive construction, air conditioning throughout, and modern design and decor.

## Aetna Fire Names Hobbs to Board

Aetna Fire group has elected Leonard S. Hobbs, vice-chairman of United Aircraft Corp., to the board to fill the vacancy created by the death of F. Goodwin Smith.

## Commercial Auto, Garage Risk Rates Reduced in Ohio

National Bureau of Casualty Underwriters has revised automobile liability rates for commercial cars and for division 1 garage risks with policies written on a payroll basis in Ohio, effective Oct. 24. The commercial car rate changes result in an average statewide reduction of approximately 6% for bodily injury and property damage combined.

The garage rate changes result in an average statewide reduction of approximately 9% for BI and PDL combined. There are also changes in minimum premiums.

## Railroad Insurers Name Adams Manager

T. W. Adams has been promoted from assistant manager to manager of Railroad Insurance Association to succeed W. Gordon Drysdale who has resigned to become assistant to the chairman of Factory Insurance Association. Mr. Adams has been assistant manager for the past eight years.

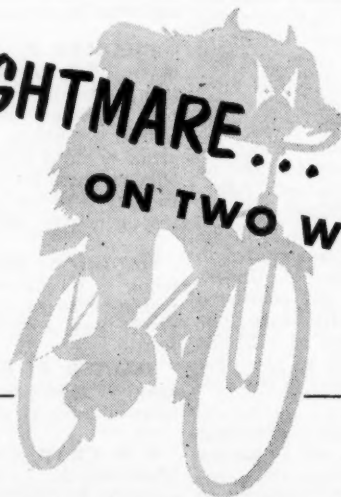
## Heads Buffalo CPCU

Buffalo CPCU chapter has elected Robert W. Zoller president, Robert P. Lentz Jr. vice-president, Herbert Cox treasurer and Herbert J. Preve secretary.

## Elect at Brazzport, Texas

Brazzport (Tex.) Assn. of Insurance Agents has elected W. H. Barbour president, F. E. Fowler vice-president, and Mrs. Ina H. Sansom secretary-treasurer.

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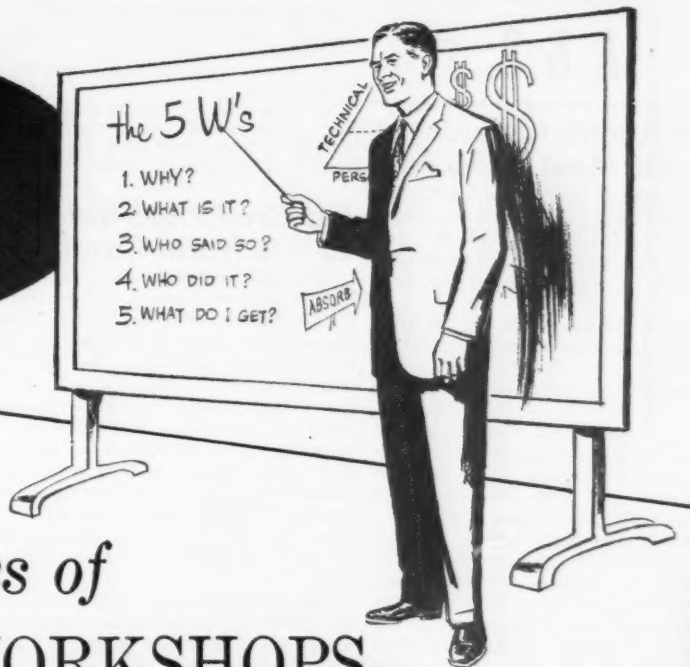
William E. Lersch, Vice-President





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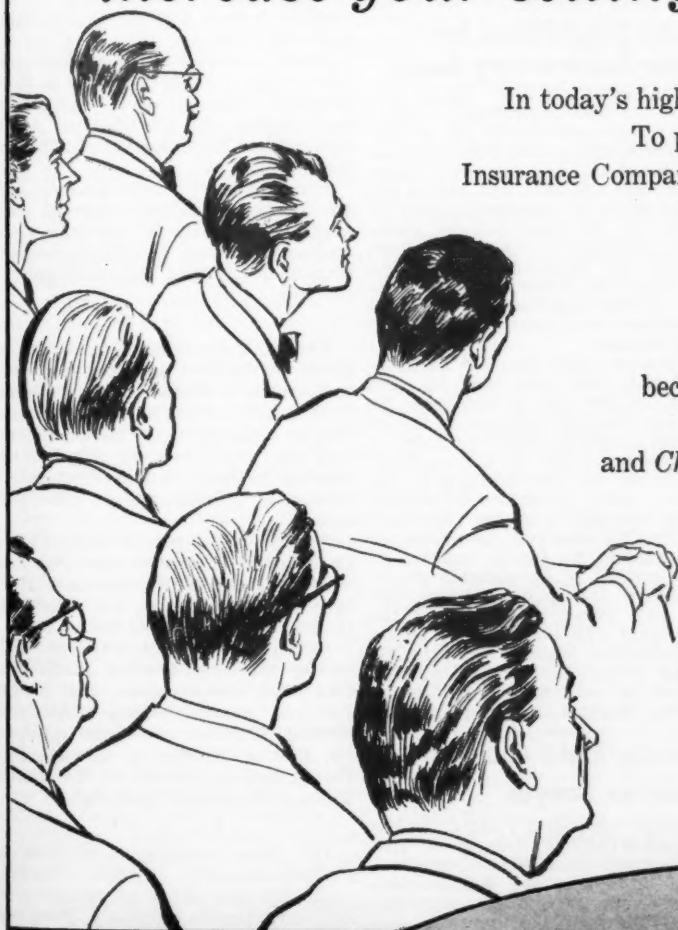
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## A &amp; S

## A&amp;H Agents to Hold Annual Meet At St. Paul

International Assn. of A.&H. Underwriters will hold its annual convention in the Lowery hotel, St. Paul, June 12-15, 1957. Additional accommodations will be available in the St. Paul hotel.

J. Peter Devine of Occidental Life, St. Paul, has been named convention chairman.

Attendance is expected to reach a record 1,000 because the Wisconsin A&H association will hold its annual meeting in conjunction with the International convention. Other midwest states will vie with Wisconsin and Minnesota for attendance honors.

The program, now being formulated, will be under the guidance of 17 chairmen of various subcommittees. Top speakers on sales and industry developments are being secured for the major addresses, while local association affairs will be emphasized through special clinics. The convention committee is allocating more time and prominence than formerly for council sessions, where the official business of the association is conducted.

Traditional activities will include the presentation of the Harold R. Gordon A&H "Man of the Year Award" and the Leading Producers Round Table breakfast, where for the first time a president of the organization will be elected.

## Jackson Takes HIAA Company Relations Post

Health Insurance Assn. of America has named Frederic W. Jackson assistant director of company relations at New York. He joined Equitable Society as group department service supervisor in 1940 and has been assistant manager of the department since 1951.

## St. Louis Doctors Oppose Fixed Fee Plan for Groups

ST. LOUIS—Members of St. Louis Medical Society have rejected in principle a proposed Blue Shield service contract plan for low-income groups under which fixed fees for various medical and surgical services would have been set up. An unusually large attendance of more than 500 physicians and surgeons adopted a resolution disapproving any insurance plan of a service of fixed-fee type which would introduce a third party between the patient and his physician or surgeon.

## IAAHU Asks HIAA Companies for Assistance

International Assn. of A&H Underwriters has proposed a six-point program of assistance from the companies through Health Insurance Assn., E. J. Coffey, northwest and Alaska general agent, Mutual of Omaha, president of IAAHU, told members of the Indianapolis A&H Assn. The agents' group has recommended that HIAA urge member companies:

1. Send bulletins to agents encouraging IAAHU membership.
2. Stand ready to furnish speakers for local units of IAAHU.
3. Encourage general agents and managers to bring key office personnel to IAAHU local meetings, "Because such people are a point of public relations contact with the public."
4. Offer awards for (a) high per-

centage of agency membership in IAAHU and (b) high percentage of attendance at local meetings.

5. Take associate memberships at \$100 a year.

6. Urge general agents and managers to take sustaining memberships at \$50 a year over and above their regular membership dues to locals.

## Cut Credit A&amp;S Rates 20% in North Carolina

RALEIGH—Credit A&S rates will be cut 20% in North Carolina Dec. 1, Commissioner Gold has ruled following a public hearing covering the loss experience on this line. The rate will drop from \$2 to \$2.50 and will reduce the charges made by a small-loan company on a typical loan (\$50 for 60 days) by about 90 cents. Last year Mr. Gold ordered a cut of 25%, from \$3.30 to \$2.50. He said at the hearing he had expected the loss ratio to increase substantially but had been disappointed to see it advance only from 30% to 31%.

The commissioner permitted the companies to add adjustment expenses, which they estimated came to 7% of premiums. Even so, he said, "to my mind 38% is not high enough for a loss ratio." However, he said later he had no particular figure in mind as the right loss ratio. Vice-president Kirk Landon of American Bankers Life of Florida, told the commissioner that any rate reduction would cause some of the 297 small-loan companies currently operating in North Carolina to go out of business. Mr. Gold set Dec. 1 as the deadline for appeals from his order.

## Delahunty Speaks to Illinois A&amp;S Forum

The insurance industry, Gilbert T. Delahunty, vice-president of All American Casualty, said, would be well advised to emphasize to the medical profession that they are partners in making major medical protection feasible. Speaking before Illinois A&S Underwriters Forum at the October meeting, he said that it is the exorbitant doctors fees that produce unreasonably high premiums which in turn means that people won't carry this insurance. It is major medical that is one of the finest deterrents to the clamor for socialized medicine.

"Major medical and major hospital are not designed to provide indemnity for the first dollar of hospital expense, but rather to insure against catastrophic losses due to medical costs. These coverages meet the definitions of insurance that the loss must be severe, that it cannot be anticipated, that the loss is tangible and readily susceptible of proof," Mr. Delahunty said. Plans such as Blue Cross, of course, are not insurance, but a method used by hospitals to enable people to prepay hospital costs.

Mr. Delahunty said that some forms of major medical provide benefits only while hospitalized and others grant it for medical and graduate nursing services even though not hospitalized. While the original limits of this form were usually \$5,000 and sometimes \$2,500, now maximums of \$7,500 and \$10,000 are frequently seen.

Walter Letzsch, Central Standard Life, president of the forum, introduced the speaker.

Delaware-Maryland-District of Columbia Field Club at a meeting in Baltimore heard a talk by H. H. McFarlin, past president of Maryland Assn. of Insurance Agents.

## FIELD

## St. Paul F.&amp;M. Makes Indiana Field Changes

St. Paul F.&M. has made several changes in its Indiana field. State Agent R. E. Aurelius has been named manager for the state, Special Agent A. D. Klein has been assigned to the northeast territory and Gregg Henderson has been named state agent to succeed L. H. Clark, who has been transferred to Albany, N. Y.

Mr. Aurelius joined St. Paul F.&M. in 1935 and has been Indiana state agent since 1949. Mr. Klein joined the company in 1948 and has been in the Indiana field since 1953. Mr. Henderson was formerly a special agent for Great American.

## Ill. Field Clubs to Meet at Springfield, Oct. 31

Illinois Fire Underwriters Assn. and Illinois pond of Blue Goose will hold fall meetings Oct. 31 at St. Nicholas hotel, Springfield.

The association's sessions will include an executive committee meeting and a talk on problems of field men by Frank R. Miley, assistant vice-president of W. A. Alexander & Co.

Blue Goose activities will commemorate the pond's 50th anniversary and include a meeting and initiation, cocktail party and banquet.

## Indiana Pond Plans for Golden Anniversary Rally

Indiana Pond of Blue Goose will celebrate its 50th anniversary with a cocktail party and dinner at the Indianapolis Athletic Club Nov. 12. Most Loyal Grand Gander Jules E. Simon-eaux of New Orleans, will attend the meeting, which is expected to draw as many as 200 past and present members of the pond. A special program will honor the 20-year members and others who have made notable contributions to the organization, and will also include the initiation of several new members.

The Indiana pond received its charter Oct. 20, 1906, and held its first meeting on Dec. 10 of that year. So far as can be determined, it is one of the oldest ponds, probably the third or fourth one organized. Of the members who attended the first meeting, Irving Williams, editor emeritus of *Rough Notes*, is thought to be the only survivor. Mr. Williams will be prevented from attending by failing health.

Ray Geringer of American States is chairman of the golden anniversary party. Any former members of the Indiana pond who would like to attend the celebration should contact Mr. Geringer or H. B. Skelton, welder, who may be reached through *Rough Notes* Co., Box 564, Indianapolis 6.

## Mountain Field Club Nominates Dreyer

Mountain Insurance Field Club has nominated Frank W. Dreyer of Employers' group president, Richard G. Vedeler of Springfield F.&M. vice-president, Vincent A. Weners of National of Hartford treasurer and Joseph P. Conary of American secretary.

The club will meet at Manchester country club, Manchester, N. H., Nov. 5 to hear a talk by Commissioner Knowlton of New Hampshire.

## Malcolm To Mich. Field

American Surety has assigned Robert D. Malcolm as special agent at Detroit. He joined the company last February as a trainee.

## Stanton New NAMIC Head; Annual Is Work Session

(CONTINUED FROM PAGE 3)

meant to grapple. What does the spread of multiple line underwriting, the tremendous development in the past few years of package policies for dwellings and, more recently, for commercial risks mean to the small mutual company?

One session after another, one speaker after another, focused on some phase of the over-all problem, "How can the small company meet multiple-line competition?" "Where do we go from here?" "How to plan for tomorrow's insurance merchandising," "Practical problems of tomorrow's insurance marketing," "Manning tomorrow's insurance organization"—topics like these drew large, attentive audiences.

Mr. Buxton, citing the development and acceptance by the public of the homeowner's policy, asked how long the public would be willing to do business with a company that says "You can only have so much insurance to value and no more? How many farmers, when they become aware of it, will forego buying replacement cost coverage?"

He put it that the company that stands still soon passes out of existence.

The other principal speaker at the first morning session, Earl L. Butz, assistant secretary, U. S. Department of Agriculture, reviewed the crop insurance programs of the federal government and their relation to the insurance business.

At the second general session, again the subject change—this time as it affected the NAMIC itself—was tackled by George A. Christensen, secretary of Bear River Mutual of Salt Lake City.

Following Mr. Christensen's talk, Dr. Lincoln W. Hall, assistant vice-president, Fidelity-Philadelphia Trust, spoke on mutual insurance company investment policies for today and tomorrow.

The W. A. Rutledge memorial award, given for the first time this year, went to Clarence E. Warner, secretary-treasurer, Buckeye State Mutual. The award will go annually to the person submitting the best thesis on some subject relating to farm mutual insurance. It consists of a bronze plaque and a \$300 award.

Winners of the annual national youth farm fire safety contest were Tom Fessler, 17, Goreville, Ill., and Anita Hollmer, 16, Schuylerville, N.Y. President-elect Stanton presented the awards.

At the final general session on Wednesday morning, Gordon H. Scherer, Cincinnati congressman, and Newell Johnson, general manager American Mutual Alliance, were the speakers. Dr. Preston Bradley of Chicago gave the principal address at the closing banquet Wednesday evening.

The five conference sections of NAMIC—casualty, city fire, crop hail, farm fire and farm windstorm—carried out separate programs. These sessions, beginning Monday afternoon—sometimes running independently, sometimes jointly—were another highly important phase in the bee-hive of the complex convention structure.

Irving J. Maurer, treasurer Farmers Mutual Automobile, Madison, Wis., casualty conference chairman, presided over a joint session of city fire and casualty conferences and Federation of Mutual Fire Insurance Companies at



which Thomas T. Oyler, vice-president Kroger Co., Cincinnati, spoke on the need for better management personnel and Herbert E. Evans, Peoples Broadcasting Co., Columbus, on methods to better train employees.

Mr. Stanton presided at the combined session of the farm fire and farm windstorm conferences at which Dr. Lowell S. Hardin, head of the agricultural department of Purdue university, discussed mutual trends and mutual insurance, H. L. Tinley, supervisor of insurance, Farmers National of Omaha, a farm management company, spoke on farm insurance for today and John C. Stapel, a past president of NAMIC, discussed how to meet farm mutual needs.

A highlight of the entire convention was the panel discussion sponsored by city fire conference on Tuesday afternoon. In spite of the fact that a number of other sessions were taking place at the same time, attendance was so great that the discussion had to be interrupted and the entire meeting moved to larger quarters. Led by L. A. Mingenbach, executive vice-president Hardware Mutuals, the panel of M. L. Landis, general counsel Central Mutual, Herbert L. Lubs, president American Mutual of Charleston, S.C., Robert E. Lehman, St. Paul, Robert R. Hoadley, New York, and Paul B. Albright, Hamburg, Pa., discussed exhaustively this question: "How can a small company meet multiple-line competition?"

Dr. Curtis M. Elliott of University of Nebraska and Charles Kennedy, executive secretary Wisconsin Assn. of Town Mutual Companies, squared away at the convention theme "Meeting Today's Needs" at the joint farm fire-farm windstorm closing session. Dr. Elliott spoke on coverages for today's policyholders. Mr. Kennedy outlined ways and means for a farm mutual to meet present changing conditions.

Frank M. McCartney, manager Federal Crop Insurance Corp., in his report before the crop hail conference, pointed out that crop disasters in recent years have re-emphasized the value and need of a sound crop insurance program. Significant progress is being made, he said, by the FCIC to provide broader and sounder coverage. The department of agriculture has asked that the federal program be expanded wherever feasible, provided the business can be written under a sound insurance program.

Later, at the same session, Robert H. Frenk, Country Mutual Fire of Chicago, discussed practical punch-card and tape processing units of crop hail insurers, Albert Rutledge, assistant secretary, Farmers Mutual Hail of Des Moines, talked on offset policy writing and John H. Douglas, president, Indiana Mutual Hail, outlined a crop hail advertising portfolio project.

The advertising-sales conference sessions were of uniformly high caliber and well attended. Elmer Wheeler the Dallas salesman-lecturer, started things "sizzling" with a paraphrase of his famous "sizzle" speech, this one "Selling the Sizzle in Mutual Insurance."

F. E. Fitzgerald, advertising manager, Grain Dealers Mutual, and a member of the advertising-selling committee of NAMIA, piloted an advertising work shop, while S. F. Staples, vice president, Employers Mutuals of Wausau, handled a companion sales work shop.

A rather unique piece of programming—one which drew the avid attention of delegates with advertising problems and responsibilities—was devoted to ways and means of "selling"

company advertising materials to producers.

D. F. Raihle, Minneapolis, conference chairman and vice-president of American Hardware Mutual, presided. H. E. Manske, advertising manager, Hardware Mutuals of Wisconsin; C. R. Bishop, assistant advertising manager, Lumbermens Mutual Casualty; S. M. Waugaman, agency secretary, Central Mutual, and C. E. Smith, sales manager, Employers Mutuals, Wausau, described the portfolios prepared by the advertising departments of their companies to "show off" to their producers what they have done in the way of advertising and the material available for the producer's use.

Dr. F. S. Siebert, director of the school of journalism of the University of Illinois, announced the prize awards in the 1956 mutual insurance advertising categories.

T. L. Osborn Jr., executive vice-president and secretary, American Manufacturers Mutual, stirred up a storm of discussion at the Tuesday afternoon meeting of Federation of Mutual Fire Companies with his talk "Where Do We Go From Here?" Mr. Osborn analyzed recent developments in the mutual property insurance field, placing particular emphasis upon internal and competitive factors which companies can no longer ignore. His "off-the-record" comments on such "hot" items as commissions, among other things, really stirred up the delegates.

At the same session, D. T. Hawkins, assistant manager, Mutual Loss Research Bureau, took apart the package policy puzzles. His talk got at the heart of some of the problems multiple-line underwriting has created for loss managers and adjusters.

On the final day of the meeting, problems of insurance sales in the future were discussed at a joint session of the city fire and the casualty conferences of the national association, the federation and the advertising-sales conference. Mr. Raihle presided. Dr. Frank Lang, Chicago management consultant, discussed planning and research for tomorrow's merchandising, J. C. O'Connor, Cincinnati, executive editor, *Fire, Casualty & Surety Bulletins*, pointed out practical problems in the way of such plans and B. H. Mitchell, Dallas, executive vice-president, Texas Employers, talked on developing management personnel for the future.

While agreeing that planning and research are important, Mr. O'Connor said that any realistic insurance executive must be prepared for unexpected road blocks. Legislation and supervision are particularly unpredictable, with compulsory automobile insurance threatening to change the entire picture and the specter of the states moving into this field being a contingency which no company should ignore. At the moment, the attitude of most state supervisory authorities is one of encouraging competition and independent action, but this could change almost overnight. A few well publicized insurance company failures could throw the business into a position where competition will be discouraged and much more rigidly regulated. He said that in his opinion there will always be a premium on the executive who is able to think on his feet and reminded his audience that the overwhelming majority of companies represented there were started, not by research and planning, but on a more or less opportunistic basis—to write a certain class of business or to operate in a certain locality where there appeared room for another insurer.



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**Revise Fire Rating  
System in Boston**

A new fire rating plan to be applied in Boston in a block-by-block process over many months will result in more reductions than increases, according to New England Insurance Rating Assn., which is instituting the change.

The new plan, termed the Dean system, is not intended to have a marked effect on the general level of rates, but will eventually involve rerating every unsprinklered, specifically rated building in the city.

The new rating system will effect mercantile and manufacturing, non-manufacturing, churches, schools and public buildings. It replaces a rating plan based on the 1882 model universal mercantile system and is essentially an extension to non-sprinklered risks of the New England edition 1934 of the Analytic System for the Measurement of Relative Fire Hazards.

**Commercial Property  
Filings Approved in Ida.**

Concurrent filings of commercial property coverage by Inland Marine Insurance Bureau, National Bureau of Casualty Underwriters and local fire rating organizations have been approved in Idaho, effective Oct. 1. These filings will supercede those heretofore made for mercantile block insurance.

**Saginaw Agents Elect**

Thomas A. Baskins has been elected president of Saginaw Assn. of Insurance Agents to succeed George Leidlein. Other new officers are Fred W. Kelly, vice-president; William F. Klumpp, treasurer, and Clara A. Laesch, secretary.

**Glatz Retires at  
Phoenix of London**

DeWitt C. Glatz has retired as assistant treasurer of Phoenix of London. He started with the group in 1910 and was chief accountant of the fire companies. In 1948 he was appointed assistant treasurer of the group in charge of the fire and casualty statistical departments. He was formerly secretary of the Insurance Accountants Assn. of New York.

At a luncheon in New York Frank E. Newton, secretary of the group, presented Mr. Glatz with a gold watch in behalf of his fellow officers. He was also given traveling bags, binoculars, fishing equipment and numerous personal items from his associates in the home office.

**Glass Rates Rise  
in Mass. and Ark.**

National Bureau of Casualty Underwriters has revised glass rates for Arkansas, California and Massachusetts, effective Oct. 24.

In Arkansas the average increase, reflecting current replacement costs of glass, is 5%. In Massachusetts the increase is 10%. In California the only change is that Glendale is assigned to the Los Angeles county territory because glass replacement costs are similar in the two areas. The lower rate for Glendale results in a statewide average reduction of less than 1% for California.

**American Surety Promotes  
Coons to Claims Manager**

American Surety has appointed Charles S. Coons manager of claims at Charleston, W. Va., to succeed Robert H. Scurfield, who has been transferred to the Rochester, N. Y., claim office. Mr. Coons joined the company at Albany in 1953 as a claim representative.

**Pacific Employers Names  
Montgomery Cal. Manager**

LOS ANGELES—Victor Montgomery Jr., Pacific Employers southern California district manager, has been elected executive vice-president of the Victor Montgomery general agency and will handle the internal operations of the agency.

Thomas McDermott former resident vice-president and manager at Pasadena, succeeds Mr. Montgomery as district manager. Robert St. John, former assistant to Mr. McDermott, succeeds him as manager at Pasadena.

**Springfield Agents Elect**

Springfield (Ill.) Assn. of Insurance Agents has elected Rogers W. Troxell president, Dwight H. O'Keefe Jr. vice-president and C. A. Askins secretary-treasurer.

Executive committee members in addition to Mr. Troxell and Mr. O'Keefe are Carlos W. Campbell, Kenneth W. Lee, Harold W. Oleson, James O. Orr Jr., Joseph F. Prola, Ralph L. Roy and Ralph A. Wilson.

From North to South



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## California Adjusters Elect Howorth President

LOS ANGELES California Assn. of Independent Insurance Adjusters at their three-day annual convention here elected Randy F. Howorth, Los Angeles, as president. First vice-president is C. C. Thompson, Oakland; second vice-president, Max Seegel, San Diego; secretary-treasurer, William Frost, San Francisco; executive secretary John M. Wylie, San Francisco.

The program called for the election of the officers on the opening day along with transaction of the business. The second day was devoted to talks, a luncheon and banquet in the evening.

Dr. Wallace Dodge of Los Angeles discussed "Whip Lash Injuries." He pointed out that the adjuster should learn where the accident causing injuries occurred, ascertain what organs of the body may be involved and learn what occurs at the moment of impact. He held that most damages caused by the whip lash occur when the head of the injured person is snapped back. He outlined treatments for correcting the damages, and declared he could not see why there should be a delay in symptoms showing, holding that an ache should develop in an hour or two that may adjust itself. He went into some detail in cases where disc injury may be connected with the primary whip injury. He cited the use of various graphs in treating the injury.

Attorney Harold J. Hunter of Los Angeles discussed "Trial Preparation." His leading premise was that thorough investigation of the accident or occurrence was the most important factor in preparation of a case. He declared the adjuster should get to the scene before the persons involved leave the scene. He declared that statements of those involved, secured at the scene, may differ from their statements later. He decried the securing of immaterial matters, and said the statements made should be followed up by questions and answers that would reveal the real story. It is important to get the story of the other party involved, but he advised against suggesting what should be said. He declared depositions relative to all the facts should be secured from both parties, and was strong in his advocacy of the use of pictures, holding that the results of many cases in court turn on what the pictures show. He declared that medical testimony in court often influences juries and advocated conference with the physician to get the exact data.

President Arthur E. Campbell of National Assn. of Independent Insurance Adjusters, Seattle, was the luncheon speaker.

Clyde M. Marshall, vice-president and Pacific coast manager of Aetna, spoke at the afternoon session on "The Available Garage Plan and the Adjuster."

He went on to outline some of the problems confronting the insurers in which the adjuster is more or less directly involved, declaring:

"Underwriting losses have been substituted for underwriting profits in the semi-annual statements of most companies. The red ink develops principally from broadened coverage and gradually reducing rate levels, aggravated by a cycle of sizeable losses. The heavy volume of losses was not characterized by any pattern—nor did they involve any particular coverage—nor were they concentrated in any particular area.

"A few years ago, the thought was

to broaden the coverage and thus 'invite' more claims and preclude the necessity of further reductions in the rate. When an insurer underprices a coverage the full effect may not be felt for four or five years. This was demonstrated by the experience history of the personal property floater. We have claims presented that certainly were not contemplated when the forms were drafted. As we widen the area of rate reductions in broadened coverages we must prepare ourselves for increasingly lean years ahead."

Phil A. Verhage, casualty claims manager for Crum & Forster, discussed the topic "Evaluating the Claim," bringing out salient facts necessary to fix the real value of the loss.

Two of the newer forms of coverage, commercial block policy and homeowners policies concluded the formal program, with Grant Phillips, general claims superintendent, Founders of Los Angeles, talking on the former and Don T. Hawkins, assistant manager, Mutual Loss Research Bureau, Chicago, dealing with the latter.

## Md. Commercial Car Garage Rates Revised

Revised automobile liability rates for division 1 garage risks with policies written on a payroll basis and for commercial cars have been filed in Maryland by National Bureau of Casualty Underwriters, effective Oct. 17.

The garage rate changes, which vary by territory, result in an average statewide reduction of 6%. Commercial car rate changes result in an average statewide increase of 16%.

## PEPPY FREDDY, the fieldman, says:

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## WUA President Strikes at Assn. Critics

(CONTINUED FROM PAGE 1)

And if we resent the use of our rating office by a company for only those classes requiring specific and costly treatment, then again we stifle initiative.

"Personally," he added, "I would be ashamed to attack the organization companies if I were guilty of using their rating and trade association facilities for my own selfish purposes. To find a justification in that convenient catch-all—the public interest—is in my opinion even more reprehensible."

Although Mr. Peterson mentioned no names, his quotations from the advertisement—evidently the one appearing in the October issue of *Reader's Digest*—and from a recent speech by a company official made it evident that his primary target was North America.

The WUA president went on to cite the statement of Commissioner Combs of Arkansas when he revoked the rate deviations of several fire companies:

"The volume of business and spread

of risk of a single company, no matter how large such company, is not sufficient or adequate for making creditable rates which are reasonable, and adequate and not unfairly discriminatory," the Combs statement said. "Deviations by stock companies will distort Arkansas statistics used in rate regulation. Deviated rates when used by individual companies when included in statistics required by law would delay rate reductions and could forestall over-all reductions ordered by this department which would benefit policyholders of all companies."

This is an adequate answer to those who advocate "chaos under the guise of serving the public interest," Mr. Peterson declared. Such a chaos, he added, "smacks strongly of the divide-and-conquer philosophy."

If the company in question thinks so little of the trade associations as to berate them in the public press, Mr. Peterson said he wonders why they still continue to hold membership in some.

The WUA meeting attracted more than 100 company and organization executives to the Greenbrier. Mr. Peterson's presidential address Monday morning was followed by that of the governing committee of which E. D. Lawson, Fireman's Fund, is chairman. The discussion group conferences, a new and popular feature of WUA meetings, took up the rest of the Monday business day.

Leading off Tuesday was the report of the public relations committee read by C. L. Zook, National Fire. R. B. Shepard, St. Paul F. & M., gave the commentary on a slide film presentation of a survey by WAU among agents on competitive problems. Underwriter's Laboratories had a share in the Tuesday program with a showing of its new film, "Album of Public Safety," plus a discussion by G. E. Manning, superintendent of label service.

The concluding session Wednesday was given over to reports of the discussion groups and election of officers.

Western Actuarial Bureau and Underwriters Grain Assn. also held their annual meetings in conjunction with the WUA gathering.

The social highlight was the reception Monday evening for WUA members and guests at which Uniform Printing & Supply Division of Currier Citizen Co. was host.

Considerable progress in the public relations program of Western Underwriters Assn. was reported by the PR committee at the annual meeting of WUA at White Sulphur Springs. The committee has not made a formal report since April of 1955, when changes in meeting procedure omitted them. Thus what was reviewed this time was broader in scope than in the past.

The organization stock fore companies have made "gigantic strides" in the last 1½ years in promoting better public relations in WUA territory, the report stated. The most encouraging development is the remarkable increase in participation by the field men, and this participation not only serves the industry but helps the field man do a better job for his company. It is no coincidence, the report said, that hardly without exception, field men selected for promotion have been heavy contributors to the public relations work.

This trend, however, cannot be sustained without the continued support of company executives. The committee urged the WUA members not to overlook the importance of maintaining the public relations movement by indicating to the field forces frequently their approval of activity in this area.

One of the major items on the annual schedule is the field conference which follows the election by the field associations. Newly-elected presidents and public relations chairmen meet with the WUA committee at Chicago and discuss plans in detail. Part of the meeting is a closed session for the WUA staff to brief new officers in field club administration. It is impossible to over-estimate the value of these conferences, the report said. They are, in essence, a kick off each year for the PR activities in the field and they serve as an excellent medium for the exchange of information with the men on the firing line.

Since the last report, two field men have been awarded WUA citations for exceptional contributions to organization stock fire companies—Robert B. Maxwell, New York Underwriters, and G. Robert Nordgren, Aetna Casualty. "It is significant that both of these gentlemen were subsequently appointed by their respective companies to positions of grater responsibility," the report commented.

Under the sponsorship of the PR committee, three new pamphlets have been published recently. One, entitled "A Little Knowledge," discusses a proposed state school fund in Indiana. The second offers factual data on the three major types of insurers and is primarily for use in sales work. It is entitled "What's the Difference?" The third pamphlet describes company organizations operating in WUA territory, principally trade associations and rating bodies.

Two of the reports presented by discussion groups at the April meeting urged WUA to increase its assistance to field associations in their agency educational programs. It is planned to design and make available through the field clubs planned boards and similar props for agency schools and forums. The report says every effort should be made to further the knowledge of agents through systematic education.

The catastrophe press plan is now in its third year of operation. This is conducted by small and permanent committee of seasoned field men who work with company adjustment bureaus and with the National Board in obtaining favorable publicity in areas where serious or widespread losses have occurred. This plan has had success particularly in Indiana, Kansas, Michigan and Ohio.

Good progress has been made under the nine-point public relations program, and the PR report detailed



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some of the accomplishments as obtained from the uniform reports of field clubs, covering the 18 months ending June 30.

Under public speaking and films, a total audience of more than 41,000 heard 412 field men give 518 talks on insurance subjects other than loss prevention. Films were shown 930 times before 126,000 people. The report states that even further activity can be expected in this area.

Encouragement of agency education is in WUA territory perhaps the best in the country, the report states. Schools, forums and seminars have been and are being conducted in every one of the 18 states by the field clubs. One of the interesting approaches is the caravan originated in Missouri and now being used in Indiana, Iowa, Kentucky, North Dakota, Oklahoma and Tennessee. In Illinois a skit was composed explaining package dwelling policies and was so successful it was recorded and used countrywide. For the 18 months period, there were 838 schools in the territory attended by nearly 18,000 agents with 668 field men (more than 25% of the force in the middle west) participating. This does not include Michigan where statistics are kept on a different basis and where 94 field men taught a total of 2,615 hours, the equivalent of more than 100 days.

The establishment of contacts with colleges continues with the principal event being the annual visit for a week of a group of insurance instructors from midwest schools. There were five instructors at Chicago this year, bringing the total to 37 who have had the opportunity of seeing the fire business in operation since the plan was instituted in 1950. The report notes that the comments of these educators indicate that tours are of benefit to them in their teaching.

Additionally, groups of insurance students from the universities of Illinois and Wisconsin have made annual field trips to Chicago under WUA sponsorship for a two-day intensive schooling on the practical side of the business.

Another feature in the program which has gained momentum is the setting up of displays at conventions. Two WUA displays have been used at home shows and state fairs in Chi-

cago, Indiana, Kansas and Wisconsin. In Iowa, Kentucky, Missouri and South Dakota, local exhibits have been devised and used, all centered on the theme of the superiority of stock fire insurance sold through the agency system.

The report comments that insurance is not a glamorous subject and it is not easy to attract people at fairs to an insurance booth when it is in competition with displays of tangible wares. The field men in several states have invented a registration form offering prizes to those who sign. This has been a drawing card and brought many additional persons into the booths.

### Fire Boats to Play Bigger Part in Atomic Attack, Seaway, Chicago Assn. Told

Increased demands will be made on fire boats in event of atomic attack or by the St. Lawrence Seaway, John Meighan, chief 1st battalion, Chicago fire department, told Assn. of Fire Insurance Examiners of Chicago, at their monthly meeting last week. President Edwin D. Horn presided.

Chief Meighan said two of Chicago's three fire boats would go five miles out into Lake Michigan and the other far down the canal in case of attack warning, so they would be available after the attack to pump water should the city water supply be destroyed and hydrants made useless. Upon completion of the seaway project, Chicago will be a major port for ocean-going ships and fire hazards will multiply.

He said fire boats are experimenting with fog nozzles. "Water fog will put out eight times more fire than any other fire extinguisher," he remarked.

### GAB Elevates Shannon to General Adjuster

John A. Shannon has been appointed general adjuster by General Adjustment Bureau and will continue as branch manager at Charleston, W. Va. He was manager at Parkersburg, W. Va., before being named assistant manager at Charleston in 1954 and manager in 1955.

Long Island Insurance Brokers Assn. will meet Oct. 25 at Queensboro Elks lodge, Elmhurst, N. Y., to hear Carmine F. Orsini of the state motor vehicle department discuss the new compulsory auto insurance law.

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- They offer "extras" in terms of service.
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## Ohio Agents to Try Again for Competitive WC

(CONTINUED FROM PAGE 10)

insurance on all installment sales.

He strongly emphasized the need of reexamining the rating laws of the states. For example, in Ohio, the fire rate law requires a 15-day waiting period, the casualty law requires none. Why doesn't the law specifically mention reciprocals?

He said he has invited members of the Ohio association to participate in this study of rating laws.

Mr. Pryatel was asked how many companies have filed uninsured motorist, unsatisfied judgment and similar automobile coverages in Ohio. He estimated that about 20% of the companies in the state are offering some form of UM. Several have filed UM, a few have filed UJ, and one company has filed the innocent victim coverage. The premium runs \$3 to \$6.

In response to another question, he said he had heard word that automobile dealers will form corporate insurance agencies to write business on financed cars, and pay dividends to the incorporators.

There has been no move in Ohio, he said, to change the financial responsibility coverage limits.

Asked what problems indivisible premiums give rating supervisors, he said such premiums must be divisible on experience and on schedule P for the benefit of examiners.

How long does it take before "judgment" is sufficient to determine if experience under a form is credible? On a fire deviation very often the insurer cannot furnish enough experience within a year and has to get an extension from the department.

The legislative committee, Mr. Falconer told the convention, is at work on a bill from which criticized features

of the last defeated WC measure have been removed and other changes made for simplicity. For example, an older bill contained no provision for an assigned risk pool. The new bill—which Mr. Falconer said may be ready in about two weeks—corrects this deficiency. Features which were disturbing to self-insurers have been removed as well as those which failed last time to win over employers who wanted the monopoly continued.

The agents don't want to hurt anybody in this drive, Mr. Falconer said. They are simply asking for the right to compete. The committee is looking for top legislative support and a top sponsor for the bill.

This time, Mr. Falconer suggested, agents should cultivate support from groups—trade, etc.—more than from individual employers. He said the chamber of commerce is a good backer—a natural source of support. Such a body is made up of "free enterprise men" and they don't want local employers handicapped in competition with out-of-state employers.

In Toledo, Mr. Falconer said, he presented to the chamber of commerce a comparison which demonstrated that Toledo employers pay approximately 50% more for WC cover than their counterparts in Michigan. Michigan was selected for comparison because benefit levels are approximately the same there.

Mr. Falconer demonstrated his method of comparison—taking rates for classifications representative of local enterprise and placing them side-by-side with the same classes for another state with similar benefits. He stressed the importance of using classifications for actual local industries rather than simply selecting those which contrast most.

To show insurance men how to sell a WC risk, Mr. Falconer presented a skit which had a corporation executive listening to the pitch of the agent who was assisted by a safety engineer and a claim man. Mr. Falconer was the agent and W. N. Robbins, Toledo, a trustee of the Ohio association, carried the role of the prospect. Ronald Brown, assistant superintendent of claims, Aetna Casualty, Toledo, and D. G. Vaughan, secretary Aetna Casualty, were the claim man and engineer.

As the presentation unfolded, the employer learned how misclassification could be costing him real money, how a good agent watches classifications constantly. He learned of the discount private insurers will allow on large premiums, and how sloppy handling of experience records—not a common fault among private insurers—could cause him to pay an experience debit instead of reaping the benefits of an experience credit.

Mr. Vaughan told the prospect that private insurers are able to allot 2½% of premium to safety engineering and demonstrated how that could improve his experience. On the claims, Mr. Brown pointed out two points of interest among private insurers. First, he said, there is the policy of paying promptly the legal benefits. Second, companies want to see to it that the injured workman gets medical treatment which will return him to work as rapidly as possible. He also discussed the accomplishments of private insurers in rehabilitation and how

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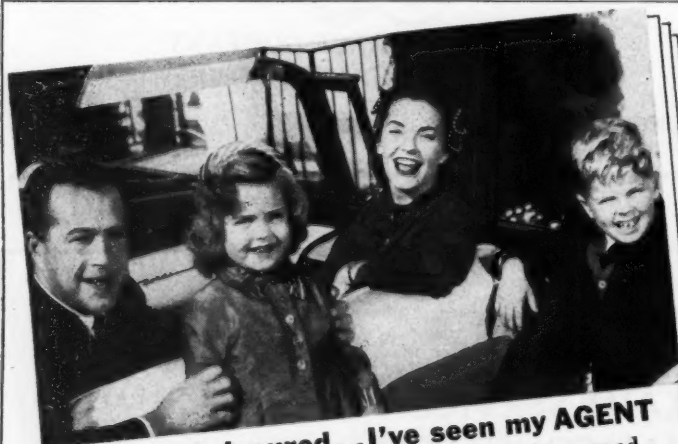


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**I'm surely insured...I've seen my AGENT**

I believe it's important for our family to have good times together. And our car has certainly helped us to do so. But now, thanks to the advice of my local agent, leisure trips will really be pleasure trips. You see, I bought complete automobile insurance at his suggestion. I no longer need to worry if I have an accident. Yes, I know I'm surely insured...I've seen my agent.

**AGENT'S NAME**



TELEPHONE

ADDRESS



thorough and prompt investigation—factual and medical—benefits employer and employee. Finally, since there must be at least some contested claims, the WC insurer is there to conduct the defense with the best people available to do so.

At the banquet, plaques were presented to Howard L. Hewitt of Youngstown, William N. Robbins of Toledo, and Fred H. Johnson of Columbus, the new president, for their work as trustees. Their terms are expiring.

A portable TV set was presented to Arthur M. O'Connell of Cincinnati in recognition for his fine work for organized agents, both in Ohio and nationally.

In presenting the Paul Revere trophy to Mr. Falconer, Mr. Johnson said that Mr. Falconer was going to be continued as chairman of the legislative committee. He also warned Hugh K. Dawson of Cleveland, retiring president, that despite the set of golf clubs being presented to him, he was going to be busy serving on the legislative and other committees.

The banquet crowd solved the problem of how much applause to furnish each distinguished guest of several introduced at one time, by giving each one blow of the hands, which Mr. Johnson described as "the Cleveland applause" and at the conclusion of the whole list, providing the big round of clapping. The short, one-fist treatment was highly effective, both on the ear and in the saving of time.

Fred Smith, management consultant of Cincinnati, was the banquet speaker.

The concern of agents throughout the state with the high rates on under-25 bachelor drivers and farm competition were the principal topics at the rural and small lines agents conference which preceded the convention of Ohio Assn. of Insurance Agents in Cleveland.

Agents are particularly concerned about the difficulty of physical damage coverage on unmarried young men under 25 who are owners of automobiles. The bodily injury and property damage liability can be placed in the assigned risk plan, but on the PHD portion of the risk agents are at times having to admit defeat. This causes resentment, particularly if the risk is the son of an insured. The auto dealer loses a sale, the local bank loses a loan.

Robert F. Seiter of Xenia, chairman of the casualty subcommittee, added that the problem of getting PHD for the 2C driver seems to be particularly acute in the smaller, rural communities. Perhaps this is because in many of them everyone knows one another, he suggested. But certainly a market is needed for both medical payments and PHD. Possibly companies could be given an assigned risk credit for writing such business. Or, he said, a package for these risks containing liability, MP and PHD might be developed.

The 2C rates for BI and PDL are regarded as ridiculous by agents, he

said. They pose a real problem for the agent who feels obligated to insured with 2C drivers. The widely heard comment today is that the companies don't want the business, that they are pricing themselves out of the market.

However, he cited statistics which show that the 2C driver is earning his rates. In Ohio class 1A experience is 60% of class 3 in rural and small town and 65% for large cities, 1B is 60 and 70% for the two classes of territory, 1C is 85 and 95%, 2A is 115 and 125, and 2C is 200 and 200.

These figures, which were furnished by Carter Irwin of the insurance department show that in rural areas and small cities class 2C represents 2.9% of all insured but 8% of the number of claims and 10% of the dollar losses. In larger cities these figures are 2.7%, 6% and 7%.

Mr. Seiter said in response to a question that he thought companies are being more lenient in accepting 2C business with the higher rates.

Ray H. Miller, manager of the assigned risk plan, pointed out that automobile risks assigned, on a premium dollar basis, constituted less than 1%

of total automobile BI and PDL premiums in 1955. Much class 2C business is being written direct by the companies, he said. Most companies will write it if they have a family car.

Joseph E. Cryan, assistant secretary of America Fore at Chicago and past president of Farm Underwriters Assn., described the special farm survey and rating plan for superior farm risks. He said his own company's experience in Minnesota, where the plan has been in effect more than a year, has been a premium increase of 33%. However, he said, it takes work. Companies that don't have field service don't like it. It is not yet approved for Ohio.

The time has come, he said, to prove to the farming public "that they need us. They can't buy mail order insurance of this kind. The agent has to visit the risk. It is the best thing we ever introduced in opening up opportunities that we never had before. We don't write much more than 5% of the potential now."

He said that as a result of talks with Ohio agents one clarification has been adopted for the plan. This is a standard for a dwelling to qualify of central

heating, solid masonry foundation, inside plumbing and approved wiring. This is to be made part of the guiding principles of the plan.

Mr. Irwin wondered if it were likely, as some say, that 50 to 60% of the farms in Ohio would qualify for the plan. Mr. Cryan said he doesn't believe that many would qualify because the plan is based on getting better than average risks and 50% is average. However, there is greater number of poorer risks than superior ones. In Minnesota about one of four risks is qualifying. The percentage may be higher in Ohio.

Mr. Cryan noted the trend to larger farms. In 1950 there were 5.4 million farms of 215 acres average and in 1954, 4.8 million with 242 acres.

Success or failure of the plan, which is geared to regular farm writing procedure with an extra step for superior risks, is up to agents and companies, he said. He illustrated how the premium for an Ohio risk would be reduced from \$270 to \$162 a year with all credits, including the deferred loss payment clause credit of 20%. The lat-

(CONTINUED ON NEXT PAGE)

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ter has not been approved in Ohio, however, because it is said to do violence to the valued policy law, though other states with such laws have approved it.

Some increase in the basic rate accompanies the plan, he said, because the plan will move good risks into the superior class and leave a larger percentage of poorer risks for companies

to write in the ordinary way. Few if any companies would write risks that don't qualify as superior in character, at the old rates based on the experience of the business when superior risks were included. Superior risks develop substantial premiums, he noted.

Barney Phelan of Versailles asked if old coverage has to be cancelled for the risk to be rewritten on the superior plan. Yes, Mr. Cryan said. It is amazing how much better the business is written on this plan. The photographs the agents take can make friends for him—the farmer loves that kind of attention.

Mr. Phelan said many farms have poor buildings that have no further utility value but that are left standing. That, Mr. Cryan said, is one of the things that makes farm business hard to write. Here the deferred payment plan is a good one, for application to buildings that are not going to be replaced. If they are not replaced within a year, the loss is reduced 40%.

Robert E. Gorman of Pauling, chairman of the rural and small lines committee, who presided, called attention to the very successful folder E. B. Hendrixson of Batavia has prepared on the broad form. This has proved quite effective in soliciting business and has been widely reprinted.

Mr. Hendrixson reported as chairman of the fire subcommittee. He warned agents against replacing broad form with homeowners that has fire and extended coverage because the latter isn't as broad.

He said that most midwest states permit fire department credit up to 10 miles but this is six miles in Ohio. Many townships need the extension.

Harold S. Roos of Wauseon, chairman of the farm subcommittee, said he needed the new farm plan, that he had lost \$1,000 in renewal premiums on two farms the past month to the mutuals. One factor is that farm values are up, the farmer has to have more cover, and this multiplies the dollar difference between mutual and stock premium.

James A. Ward, assistant manager of the farm underwriting department of Ohio Farmers group, emphasized the value of account selling in this field. It builds business less likely to attack by competition.

He called attention to one problem, the crossing from farm to suburban, classification a trend that will continue. There has been some incorrect, surreptitious reclassification which can do much harm. The risks of farm operation are greater than if it is used as a dwelling property. Consequently, misclassification of this kind will create higher losses in suburban dwellings. He urged agents to use good judgment in recommending such reclassifications.

Other participants in the panel were Fred Schroer of Columbus, supervisor of Home's farm department, and Karl Dakin of Lebanon.

## Standard Accident Names Three in Tex., H. O. Changes

Standard Accident has transferred Horace M. Reddit from Dallas, where he was claim adjuster, to Houston as claim representative. Herman F. Ball and Richard Johnson have been made supervising underwriters at the home office.

Mr. Reddit started with the company as claim adjuster at Dallas in 1954. His reassignment represents the initial step in a program to provide direct claim service in southeastern Texas through the Houston office. Previously, claim operations in this area have been handled by the Dallas branch.

Mr. Ball joined Standard Accident at the home office in 1948 as a casualty underwriter. He was transferred to the Washington branch in 1950 as casualty underwriter and was appointed manager of the casualty and property department of that office in 1953. After an absence from the companies of a year he rejoined Standard as casualty underwriter in the home office underwriting department. Mr. Johnson joined the company in 1946 in the home office casualty claim department. Following graduation from Wayne university in 1950 he became an underwriter in the casualty underwriting department.

## New President for Chicago Casualty Safety Engineers

Chicago Society of Casualty Safety Engineers at its October meeting elected A. E. Forrer of Glens Falls as president to succeed J. L. Scott of Employers Mutual Liability, who has accepted a position in the engineering department of a Detroit agency.

Speaker at the meeting was William L. Watson, supervisor of building construction in the state factory inspection division of Illinois department of labor. He discussed construction hazards and safety practices.

The association approved the membership of Commercial Union-Ocean group, represented by J. Robert Boggs, Kentone Taft and Malcolm McLuckie; St. Paul F&M group, represented by Louis S. Duner, and Casualty Mutual, represented by Art J. Erdmann.

## Standard Accident Promotes Two

Standard Accident and Planet have named Miss Q. Johnstone, formerly manager of the personnel department, personnel manager, with responsibility for employee recruiting, testing, interviewing, placement, progress, salary administration, and counseling. Miss Helen Gardiner, formerly assistant manager of the personnel department, has been made manager, personnel department, and assumes responsibility for administrative activities of that department.

Miss Johnstone started with Standard Accident in 1925. In 1936 she was promoted to office supervisor where she served until 1942, when she was made manager of the personnel department. Miss Gardiner joined Standard Accident in 1935. She became supervisor of bonding files and in 1937 transferred to the personnel department. In 1946 she was made assistant manager of personnel department.

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## American Elects Alexander Chief Executive

(CONTINUED FROM PAGE 1)

of American Automobile stock have tendered their shares to be exchanged share for share for stock of American. The new shares are being issued as promptly as possible.

With today's actions all of the proposals announced early in August have been consummated and the way is now cleared to proceed with the merging of operations of the companies into a single multiple line organization.

Mr. Alexander is also president and director of American Automobile and

Associated Indemnity and chairman of the executive committee.

He was born in Mt. Vernon, Ind., and received his Ph.D. degree from University of Chicago in 1921. He spent several years in fire field work in Illinois and Wisconsin before joining American Auto in 1925 as assistant branch manager at Detroit. He advanced to branch manager in 1930 and held this position until 1939 when he was elected vice-president and went to the head office to assume broader administrative responsibilities. He was elevated to president in 1953 and a year later, upon the death of Chairman Lee Schleyer, became chief executive officer of the companies.

Mr. Vitt started his career as an office boy and mail clerk for Georgia Home. He remained with that company until 1917, when he became a special agent of Dixie Fire. He progressed to a vice-presidency and directorship of Dixie in 1934. He was elected vice-president of American in 1938 and moved to the home office. He succeeded to the presidency in 1950 and was named president of Bankers Indemnity in 1954. He is vice-chairman of American Foreign Insurance Association, a director and member of the executive committee of General Adjustment Bureau, a member of the executive committee of National Board and chairman of the executive committee of Marine Office of America.

Mr. Bowditch is executive vice-president and a director of American

ceased to 26. Newly elected to this board are the following:

Mr. Alexander, William H. Armstrong, partner, Cobbs, Armstrong, Teasdale & Roos, attorneys, St. Louis; Albert Y. Bingham, financial vice-president, Chicago Title & Trust Co.; Mr. Bowditch, David R. Calhoun, president, St. Louis Union Trust Co.; Champ Carry, president, Pullman, Inc., Chicago; C. S. Cotsworth, vice-president, American Automobile; Stephen Y. Hord, general partner, Brown Brothers Harriman & Co., Chicago; Gale F. Johnston, vice-chairman of Mercantile Trust Co., St. Louis; J. Wesley McAfee, president, Union Electric Co. of Missouri, St. Louis; William A. McDonnell, president, First National Bank, St. Louis; Robert H. McRoberts, partner, Bryan, Cave, McPheeters & McRoberts, attorneys, St. Louis, and Otto Patterson, retired.

## McIntosh to Manage La. Rating Bureau


Kenneth L. McIntosh has been appointed manager of the Louisiana Rating & Fire Prevention Bureau. He has been with the bureau since 1948, and has served as its acting manager since last May.

C. B. Parent has been named assistant manager of the bureau. He had served the bureau as executive assistant to Mr. McIntosh.

George E. Grus was promoted to superintendent of audit. He was assistant superintendent.

Newly elected directors of the bureau are Carl J. Schumacher of St. Paul Fire & Marine, Horace Herrin of New York Underwriters, Garner J. Knoepfler of Phoenix of Hartford and James J. Lynch Jr. of Crum & Forster.

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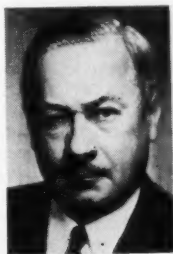
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Harvey R. Bowditch

Automobile and a member of the executive committee.

He is a native of Urbana, Ill., and a graduate of University of Illinois in 1920. Before joining American-Associated in 1942 Mr. Bowditch had spent more than 20 years in the investment banking field, the last 14 with Stone & Webster and Blodgett, Inc., where he held the position of vice-president and chairman of the finance committee. He was elected executive vice-president of American Auto in 1954.

Mr. Jochen is a native of Ohio and a graduate in engineering from Ohio State University. He served with Ohio Fire Insurance Rating Organization and then with the North America at Chicago. In 1930 he transferred to Omaha and became secretary of National Security and field superintendent of the other North America companies. In 1935 he joined the Eagle Star as assistant U. S. manager. In 1942 he joined American, serving successively as western department manager, vice-president, and executive vice-president and director.

Mr. Jochen is a director of Bankers Indemnity and is a member of the Newark colleges council of Rutgers University.

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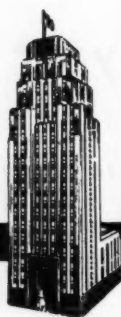
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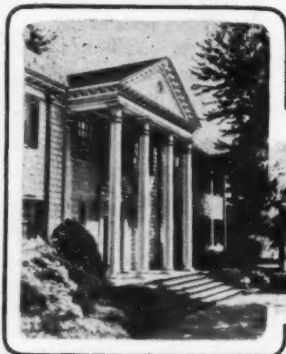
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## Adjourn Hearing on North America's Deviation

(CONTINUED FROM PAGE 2)

quote and they have produced an overall 16% underwriting profit on fire. He pointed out that North America has never reduced commissions, but did not raise them when other companies did in 1951.

He said that legislatively insurers cannot be forced to be members of rating bureaus or prohibited from use of competitive rates. He added that New York's insurance law, amended in 1948, specifically authorizes combined rate making but does not require it.

Mr. Butler admitted that article 8 of the New York law contemplates the rights to deviation and independent filings. But, he added, the law obligates the superintendent to administer these rights so that permission to exercise any one of them shall not be to the detriment or destruction of the other rights. He said that the legislature was clear in its intent that in the public interest insurance rates should be regulated to prevent discrimination and unfairness, and for that reason authorized cooperative rate making, with reasonable competition permitted only when consistent with the public interest.

He further charged that if the department allows North America to set the pattern in rate making, companies with large surpluses might survive, but small companies and mutuals would be eliminated.

"We contend that no one can ascribe to the legislature in article 8 an intent to revert to conditions prevailing in the insurance business in New York when rates were made upon single company experience," Mr. Butler asserted.

NYFIRO argued that if experience of an individual company is reasonable for the previous five years, the department in considering an independent filing of fire rates must give more weight to the averages of business as

a whole than to the averages of an individual company. North America took the opposite view, pointing out that public law 15 and the New York legislature made it clear that no company must be coerced in its rate making.

Mr. Epes said that the rating bureau is not licensed to engage in litigation and is violating the state anti-trust act by continually harrasing North America. He said the superintendent has the authority to bring "this harassment to an end, and if he doesn't do it federal intervention will."

Mr. Kaplan replied that North America was a member of NYFIRO and is still a subscriber, and that North America is not acting in best interests of the public in its attempt to destroy the American agency system.

Mr. Kaplan called two witnesses to the stand, H. Richard Heilman, vice-president, and L. H. Longley-Cook, chief actuary, both of North America, in an attempt to prove that acquisition cost figures presented at the original 1954 filing were improperly charged. He sought to show that North America figured its acquisition costs on a national basis, but compiled its commission costs on a statewide basis in the filing. In that event, he said, total acquisition costs would bear only slightly on the figures presented in the filing, whereas if the acquisition costs had been included in the statewide figures along with commissions, an actual 3 or 4% upward differential would have been reflected. North America admitted that 70% of its New York business was and is being written through brokers at its branch offices and said that the costs of maintaining those offices are figured necessarily on a national basis since those costs vary unequally between states.

Mr. Holz then asked for a breakdown on the acquisition cost figures and adjourned the hearing.



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## Mich. Local Boards to Map Ad Program

LANSING—Presidents of local boards throughout the state have been invited to a meeting here Nov. 8 of the executive committee of Michigan Assn. of Insurance Agents for a general discussion of timely topics and particularly to consider a proposed state-wide advertising program.

W. O. Hildebrand, secretary-manager, said information will be exchanged relative to local projects in the various communities planning for the coming year. In many cases, it is anticipated, ideas for special activities by the local agency groups will be of value to other communities in framing their year's program.

The public relations planning committee will be present to offer its proposals for a continuing advertising and publicity program throughout the year, following a fairly uniform pattern and utilizing the local newspapers and in some cases, possibly, television and radio. Some experiments along this line, in the Lansing area and elsewhere, have proved effective, it is felt, and the coming year is regarded as an ideal time for expansion of such promotional methods throughout Michigan.

Robert G. Schirmer, Saginaw, the new association president, will preside at the session and all other state officers and executive committee members are making plans to attend.

## Mass. Brokers To Hold Annual Meeting Oct. 30

Insurance Brokers Assn. of Massachusetts will hold its 40th annual meeting Oct. 30 at the Hotel Somerset, Boston. Following the annual meeting and election of officers, Arthur C. Conley, general counsel and manager of Insurance Federation of Massachusetts, will address the annual luncheon on the legislative outlook.

## Plan Homeowners Courses

Insurance Society of New York will conduct eight week courses in homeowners policies in lower Manhattan, Mineola, and White Plains, starting Oct. 22.

Instructors will be T. R. Schultz of Home at the society's headquarters in lower Manhattan, W. F. Bindseil of Security-Connecticut at Mineola and Phillip Shatz, local agent, at White Plains. All recent and new changes in the form will be highlighted.

## Zurich Names Shine to Midwest Post

Zurich has promoted John M. Shine from supervising underwriter at the home office to superintendent of underwriting in the midwest department.

Mr. Shine joined Zurich at Chicago in 1949, was named senior underwriter in 1953 and a supervising underwriter in 1955.

## Total Va. Premiums in 1955 at \$166 Million

Total direct premiums on all lines of business written last year in Virginia amounted to \$166,579,560 while total losses were \$75,534,550, according to a report by the state corporation commission.

The total figures were based on business written by all companies, including domestic and out-of-state stock and mutual companies and all reciprocal and interinsurance exchanges.

Breakdown of the figures according to line shows fire and extended coverage, with \$39,708,739 premiums and \$23,429,098 losses; A&S, \$6,459,433 premiums and \$3,733,994 losses; workmen's compensation, \$12,963,966 premiums and \$6,667,259 losses; liability, \$6,665,594 premiums and \$1,635,988 losses; auto bodily injury and property damage liability, \$44,731,549 premiums and \$19,649,141 losses; auto physical damage, \$40,881,899 premiums and \$14,534,893 losses; fidelity and surety, \$3,332,983 premiums and \$1,409,937 losses, and all other, \$11,835,397 premiums and \$4,474,240 losses.

## W. Va. Mutual Insurers to Meet in Clarksburg

West Virginia Assn. of Mutual Insurance Companies will hold its annual convention in Clarksburg Oct. 30-31. Speakers include Deputy Cox of the insurance department; Dale G. Casto, attorney of American Mutual Alliance and Federation of Mutual Insurance Companies, on pending litigation; Harry P. Cooper, secretary National Assn. of Mutual Insurance Companies, on meeting today's needs; Dale K. Auck, director of the fire protection division of Federation of Mutual Fire Insurance Companies, on fire prevention today, and Robert Hampton, secretary of West Virginia Mutual Agents Assn.

N. S. Arbuckle of Lewisburg will give his presidential report, and J. A. Gist of Wellsburg will give the report of the secretary-treasurer.

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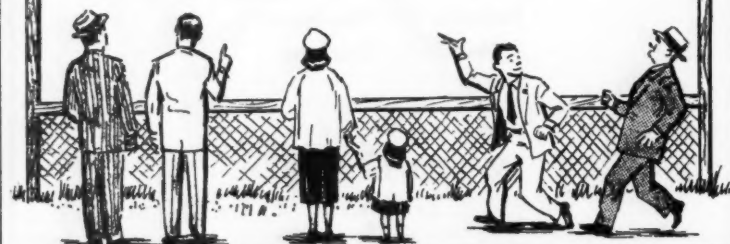
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### Suggests Unlimited Fire Policy Term

(CONTINUED FROM PAGE 15)

the balance could be paid in annual installments, each being pro-rata of the three year term for which the first payment was made.

If the policy paralleled the mortgage, Mr. North suggested, there would be a large saving at all the lending institutions just in their handling of the mortgage collateral alone. Changes in ownership of the property, or a change from one agency or company to another, would necessitate cancellation and rewrite, but these would not be many in comparison to frequent renewals under present practices. Reduced expense in connection with renewals could work toward a general stabilization of commissions on the dwelling class, Mr. North predicted.

Because there are not normally many changes in dwelling business from a casualty standpoint, he said the same practice could apply to dwelling package forms, and thus cause a tremendous savings in home offices from an accounting, coding and statistical viewpoint. If dwelling policies were permitted on unlimited term, unearned premium reserve could be set arbitrarily at 50% of the annual premium regardless of term. The measure of safety afforded through the reserve would be preserved. At present, installment payments on an annual basis require a similar reserve.

Coding would be made uniform and could be done once for the entire term except when the policy was cancelled or rewritten. He said rates might be predicated on a maximum uniform commission scale as they are in the automobile physical damage formula.

These things would be possible Mr. North asserted, except for those laws which, in most states, require that a new policy be issued at the end of the statutory limit. Most territories now provide rules permitting a liberalization clause so that the policies will be liberalized automatically without rewriting when short rate cancellation tables on dwellings are eliminated. Such long term policies may actually enhance the value of agency expirations. Mortgagees would certainly welcome the big reduction in turnover of dwelling policies now held as insurance collateral.

Also, Mr. North pointed out, during periods of inflation when values increase, there would be no additional problem. An endorsement increasing the amount of the contract is all that would have to be added without disturbing the form by cancellation.

Mr. North said that the customer would not object in any way and labeled the proposal as simply an effort to reduce expenses of operation and simplify agency problems.

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### New Illinois Hand-Book Is Off the Press

A new Underwriters' Hand-Book of Illinois has just been published by the National Underwriter Company. It provides complete and up-to-date information on the agencies, companies, field men, general agents, brokers, groups and other organizations affiliated with insurance throughout the state, except for Cook County, for which a separate Hand-Book is also published. Copies of both the new Illinois and the Cook County Hand-Book may now be obtained from the National Underwriter Company, at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12 each.



## Planning for Changing Market Vital: Lang

(CONTINUED FROM PAGE 15)

sible dollars sales level which the company can hope to achieve. It purposely excludes certain prospects, but Mr. Lang said he assumes no company wants to insure everyone. Underwriting standards have a decided influence on the approach to sales potential.

Insurance, by its nature, is likely to deceive management in seeing the true relationship of sales to market potentials, Mr. Lang declared. While a manufacturer has to depend upon a series of one time sales, insurance is geared to a repetitive market. A few successful agents can build up a considerable volume of business which goes on and seems to guarantee existence and growth of a company. And this, at least, is what has been happening. In other words, the sales department of an insurer can make mistakes sometime before the practices catch up with it. But this lag, however, has already caught up with many companies in the automobile lines, Mr. Lang observed, and can be expected to do likewise in others.

Management also has been assuming that any company which is alert can create its own market. There may be still vast opportunities for those who know where to sell, but Mr. Lang opined that there is a definite saturation in certain territories and in certain coverages, and much of the future expansion will be at the cost of a less effective competitor.

Thus a market potential will locate the most productive markets, determine the number of agents in a given territory, help set up sales quotas, measure relative sales effectiveness, measure sales performance of individual agents, determine the degree of additional coverage necessary, determine where branch or service offices should be located, provide sales management with a background for campaigns. Even if these estimates are rough, the insurer gains an invaluable yardstick with which to gauge territorial sales performance.

Most companies are using some sort of potential now, most likely by comparing their own premiums in a certain state to the total lines by all companies. Mr. Lang said some insurers are satisfied to maintain the same proportion by some amount every year. These attempts, however, he said, do not come to grips with the real problems. "Industry figures are historical and fail to indicate current economic and social influences; perhaps the entire business has missed the goal in a certain state; conditions in different states, even neighboring ones, vary so completely that any similar over-all percentage has little significance; finally, state figures are too broad to be of much help in sales planning. It, therefore, becomes necessary to look for some underlying basic economic and social factors which influence your company's sales."

The fourth step in this merchandising program, Mr. Lang said, is planning sales on a local level. This is an area in which too many companies are trusting to luck, he remarked. Among the questions to be answered are whether the prospective agent has a natural or receptive market? what are the characteristics of the present customers? what are their buying habits? what are those habits of prospective policyholders? and what is the buying motivation involved?

Mr. Lang commented that effective planning on the agency level is not easy, but it pays off. Almost any com-

pany can make some simple studies, such as examining the ways in which new customers are developed. If a pattern can be set up, the company has a clue as to what to use in the future. An agent may be static, he may widen his center of influence, or he may decline. The agent or branch manager must know something about his community, including how many families moved into town in the last year, and how he was able to attract new customers.

Buying habits shift just as do markets, and Mr. Lang said that companies have to find out about these changes and inform their agency force accordingly. Among the reasons why people buy automobile insurance from a particular company or agency are price, service, friendship, technical knowledge of the agent, business connections, the company's reputation and convenience. These factors change over the years, and Mr. Lang opined that companies who thought the way in which they were doing business would continue are having a rude awakening. The younger generation has been brought up in a super market economy and refuse to trade with a certain store or agent just because their fathers did.

In reverse, while people do not buy from a company or agency is perhaps as important as why they do. Learning why a coverage is not accepted may bring a company the key to an entire new sales approach. Buying resistance must be examined in the light of "end utility" which the policyholder, and individual or business, has in mind in relation to the benefits or service the company is offering.

Even though the insurance companies traditionally spend most of their efforts on planning a sales approach, Mr. Lang said this function still has room for improvement. The average agent, in spite of all the assistance given him, is still handicapped by lack of time for proper sales planning in the light of current needs and pressures.

He suggested that companies review how much actual assistance they give agents or salesmen in the sales planning and approach. To what extent do they participate in setting up quotas? Do they have a way of measuring individual sales performance? How should the sales ability be valued as opposed to underwriting judgment? What is the impact of a company's advertising program on its sales? Have agents been shown how to adjust sales techniques to policyholder motivations?

Insurers are spending an increasing amount for advertising, Mr. Lang observed, yet few of them have been able to tie their promotion into a well planned over-all merchandising campaign. "Some companies have gone from one extreme to another and spent large sums for advertising which may be interesting to the executive staff but probably means very little to sales, and thereby adds to, rather than reduces, sales costs. Had these companies spent a fraction of their budget on testing and measuring the effectiveness of their proposed advertising program before they authorized it, they could have saved themselves a lot of headaches as well as money."

### CASUALTY INSURANCE ANALYST

Insurance Advisory and service organization, catering to needs of select industrial policyholders, requires man with knowledge all coverages, including inter-state and company underwriting experience. North Carolina location. Excellent future and good starting salary. Replies confidential. Address Box R-7, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Some companies have found it helpful to tie their agency force into this type of planning, he added. One company, for example, found that 55% of its agents wanted individual bulletins or monthly news letters replaced by one complete monthly promotion kit. This preference resulted both in savings and postage as well as more effective distribution methods. Another company found that 70% of its agents desired a change in media to give more continuity to the advertising message.

Another aspect of the sales planning is timing the sale. Markets change not only geographically but are influenced by time factors. Mr. Lang cited the reduction in demand for polio insurance since the discovery of the Salk vaccine. Seasonal factors and other special influences are related to some coverages. Mail order insurance is another example of a form of coverage which has lost appeal, while group insurance has increased in popularity tremendously. "Insurance company management cannot afford to sit idly and see its market gradually disappear because it no longer offers the type of protection in the way people are interested in buying it," Mr. Lang said.

Many companies believe they are doing a fine job internally until trouble breaks out in sales, Mr. Lang declared. Few companies, he added, are

willing to reevaluate their entire sales philosophy and administrative policies unless they are in trouble.

"Many companies," he added, "are still saving pennies in home office salaries and wasting thousands of dollars in what is called 'other acquisition costs.' Some companies still think nothing of the practice of having a fire field man call on an agent in the morning and a casualty special agent in the afternoon... Through careful planning your company can arrive at some definite 'span of control' regarding the number of agents which a single field man can supervise or service... This review, however, should be made in the light of tomorrow's needs and your projected future sales programs."

### W.Va. Inspections Oct. 30

Fire Prevention Association of West Virginia will conduct town inspections in Ripley and Ravenswood on Oct. 30.

Richard E. Vernor, manager of the fire prevention department of Western Actuarial Bureau of Chicago, will be the speaker at the inspection luncheon. Association officers in charge are Turner L. Sturm of Ohio Farmers and C. C. Eaton Jr. of New Hampshire.

Hartford Steam Boiler is moving its St. Louis branch to larger quarters at 420 Locust street. The company has been at its present address, 319 North Fourth street, for 62 years.

## WANT ADS

Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

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Immediate opening in Cleveland Branch of Top Flight Stock Company. An excellent opening with a real future. Minimum five years experience. Write in full confidence to Box R-6, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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### — MICHIGAN —

Small, rapidly growing Mutual Company writing automobile coverage only, exclusively in Michigan, wants man to head claims department. Home office in Detroit. Prefer man 30 to 40. Please write stating age, education, experience, family background, salary expected and any other pertinent information. Address Box P-95, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### SPECIAL AGENT FOR WISCONSIN

Expanding mutual casualty company offers excellent opportunity for Fieldman under 32 in Central Wisconsin territory. Attractive salary, auto furnished, pension and hospital plan. Apply in writing to: Mutual Auto Insurance Company of Wisconsin, 807 N. 8th St., Sheboygan, Wisconsin.

### WANTED

Stock company wants combination Surety and Casualty Underwriter in Home Office. Age limit 40 years. State of Florida. Address Box P-85, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED HOME OFFICE CASUALTY UNDERWRITER

With old established fire company expanding into multiple lines. Wonderful opportunity. Executive ability desired. Write giving age, experience, and salary desired.

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Excellent opportunity for young man 25 to 35 with progressive multiple line company—upper Midwest. Must be familiar with taxes, annual statement preparation, statistics and investment accounting. Address reply to Box P-94, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### AVAILABLE

Presently employed. Desires future potential position, field or underwriting, with progressive company. Emphasis on establishing business particularly desired. Most familiar with auto and fire. Middle 30's, married, successful background, will locate as company desires. Address Box R-2, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Age 30 to 40; with considerable experience in all casualty lines to act as underwriter assistant to branch manager of multiple line company. Salary commensurate with experience and ability. Good opportunity. Write in confidence giving age, detailed experience and salary expected. Address Box R-3, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.



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Tel. DElta 6-8822 Tel. TUrner 2-9338  
24 Hour Service  
Phone Harrison 7-0153 Night: TErrence 4-7840

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ROBERT G. THOMAS, President

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1544 Hanna Building

Cleveland 15, Ohio

Phone Superior 1-7850

Night Phones: MOntrose 3-7664

FLorida 1-5095

##### D. J. SCOTT & SON

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Night: STerling 26434 and SKyline 83978

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Tandy & Wood Bldg. - Idaho Falls, Idaho

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Bankers Bldg., 208 E. Wisconsin Ave.

Telephone Broadway 1-4048

Chicago Office

460 Ins. Exchange Bldg., 175 W. Jackson Blvd.

Telephone WABash 2-3541-2

### N. Y. Banks Brand NYFIRO's Binder Form Inequitable

Savings Banks Assn. of New York state has labeled as inequitable the insurance binder form of New York Fire Insurance Rating Organization used by brokers and agents in the state.

In a bulletin to members, the association points out that on termination of insurance held on binder, there is no obligation on the part of the insurer to notify the mortgagee unless the post office address of the latter is shown on the binder. The association says it is not common practice to include the mortgagee's address.

The binder specifies, even though notice is directed to mortgagee, that the insurance is cancelled as of 12 noon of the next business day after the risk is declined, and it could become effective while the cancellation notice is in the mails, the association observes, thus causing an undesirable exposure. Although some direct writers and mutual companies follow provisions of the policy that allow 10 days coverage after receipt of the notice by the mortgagee, the association says, NYFIRO holds that the present terms of the binder form furnish necessary protection to insurers and should not be changed. This attitude is not an equitable one, the association said, in warning members of an exposure in accepting the form.

George P. Slayback Jr., of Brooklyn Savings Bank, chairman of the insurance committee of the savings banks association, points out that a form of binder now is being used by some brokerage offices which is satisfactory for savings bank use. This one reads:

"Each of the undersigned companies for itself only, insures the above described for the amount set opposite its name until the issuance of its correct standard policy on the same in place hereof. Any loss occurring before policy is written to be settled concurrent with any other insurance on the same property at the time of loss subject to conditions of standard form of policy and or New York standard mortgagee clause."

### Worcester Mutual Fire Names Peters in N. H., Me.

Milton L. Peters has been named special agent for Worcester Mutual Fire in New Hampshire and Maine. He has been with the company for 12 years and for the past six years has been supervisor of the brokerage department in Worcester and Worcester county.

### Teskey to Manage National Fire's Canadian Business

National of Hartford has assigned vice-president W. J. Teskey in charge of the group's operations in Canada and F. C. Carroll assistant manager of the western department at Chicago, effective Nov. 1.

Mr. Teskey was manager of the company's affairs in Canada until 1955. At that time he was elected vice-president and put in charge of casualty and automobile operations in the home office. He was a vice-president of Canadian Underwriters Assn.

Mr. Carroll will succeed E. E. Humphrey, recently transferred from Chicago to San Francisco as manager of the Pacific department.

Mr. Carroll joined the group in 1936. He worked at Philadelphia and Pittsburgh as special agent and later as state agent in Pennsylvania and West Virginia. He was appointed to the home office as general agent in 1950 and was elected assistant secretary the following year. He was appointed assistant manager of the Canadian department in Toronto in 1952, and manager in 1955.

### Leamon Forms Independent Adjusting Firm at K. C.

L. Lester Leamon has formed Leamon Adjustment Co. at Kansas City. The company offers experience in fire, business interruption and other time element losses, automobile and all lines of marine.

Mr. Leamon was staff adjuster for Fire Association for three years before he joined Western Adjustment as automobile supervisor at Minneapolis. Recently he has been assistant manager for Western Adjustment at Kansas City.

The office of the new company is located in the Sharp building.

### Name Ia. Committee Chairman

DES MOINES—Committee chairman for the Iowa Assn. of Insurance Agents have been appointed by Dorr H. Hudson, Iowa City, president. They are: Public relations, Charles A. Russell of Oskaloosa; legislative, A. P. Diehl of Des Moines; local boards, Carl Obermann of Ottumwa; accident prevention, Paul H. Cheyne of Glenwood; agency management, Edwin Engquist of Red Oak; finance, Clark Caldwell of Iowa City; rural and small lines, Clarence D. Friday of Osceola; education, Richard Grossman of Marshalltown; casualty, Clarence Redman of Clinton; fidelity and surety, Wallace A. Rogers of Fort Dodge; and metropolitan and large lines, H. H. Nelson of Council Bluffs.

Payroll & Other Casualty  
Audits & Inspections.  
Audits of Burglary & Bond  
losses.  
Audits for reinsurance companies of payrolls, claims, etc.

Inland Marine Audits & Inspections.

Audits of Cargo Motor Lines to determine financial responsibility and outstanding claims.

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Kirby Bldg., Dallas

Standard Bldg., Atlanta

369 Pine St., San Francisco

25 other offices, providing nationwide service in U. S. A.

as well as service in Canada and Puerto Rico



## Urges Defense Against Government Intrusion

(CONTINUED FROM PAGE 3)

centers around insurance above the capacity of private insurance.

He said the business is not directly opposing the effort but it is not happy to see the government enter any insurance field, lest this be a wedge to greater future intrusion. One prov-

sion of the last nuclear indemnity bill would have required Atomic Energy Commission to determine the amount of coverage carried by the operator. Mr. Johnson said each operator should be permitted to buy private insurance to the full extent of its availability and that government should not compete in this area.

He criticized the new federal flood indemnity act as a questionable attempt to cover a peril which the business regards as uninsurable. Floods afford very little spread of risk and have a high catastrophic potential and a high loss frequency.

From the very outset the business has described the floor program as a mere subsidy, Mr. Johnson pointed out. It is probably unobjectionable as long as it doesn't cost taxpayers too much. But it is debatable whether one group of citizens should be asked to subsidize another group in a matter which is of dubious national benefit. He admitted that the program is experimental, but pointed to Federal Crop Insurance Corp., which also started as an experimental project. He said the only ones who benefit from that program recognize it as an indirect subsidy which the farm lobby insists on having retained.

National health insurance, proposed a few years ago, would have been another indirect subsidy in the form of reinsurance, Mr. Johnson asserted. Health insurance also presents high adverse selection and it is not economically feasible to sell it at a price within the reach of all classes of the society not presently covered. The present administration has not completely discarded the idea, while Democrats favor a form of voluntary health cover. It is symptomatic of the times that no political party wants to be accused of advocating direct government competition with private insurance, but both are apparently willing to accomplish the same thing through an indirect subsidy in the form of reinsurance.

The flood act also contains provisions for government reinsurance of private companies, placing insurers right in the middle, Mr. Johnson stated. Just as it is difficult for the insurance business to complain about a government program it is asked to administer, it is also difficult for the business to complain about a government program of reinsurance. In either case private insurers become vassals of the state, with their freedom and independence in jeopardy.

Of far greater potential harm would be the creation of a self-contained government insurance facility, Mr. Johnson warned. These situations call for great statesmanship and in all such instances—the war damage program of World War II, the maritime war risk program and the flood indemnity act—the business has taken a constructive view and has agreed to lend the government its cooperation.

He called attention to the amendment of the social security law providing total and permanent disability cover for a large portion of the population under a compulsory system of payroll taxation. He said although it is actually an invasion of private insurance, it was accomplished under the name of social security and in a way which is beyond the powers of free enterprise. Through statutory compulsion the government obtains an automatic spread of risk and elimination of adverse selection. Only time will tell whether this is the entering wedge

for a broad-scale program of extended disability coverage under the same name of social security, he said.

A typographical error in the story in Oct. 18 issue, dealing with Inland Marine Insurance Bureau's changes

on personal property floater in New York City, produced the statement that limits of liability cannot be increased to 125% of the values in paragraph seven for a 15% increase in premiums. This should read "now can be increased, etc."



# THE UNITY

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is the month for agents to do the spade work in building public official bond business. Once written, public official bonds may remain on your books for years.

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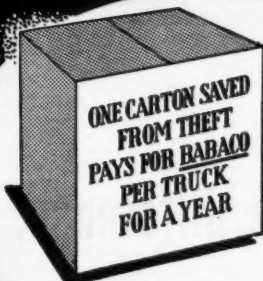


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# NAMIA Holds 25th in Washington, D.C.

## Advertising Will Win Larger Share of Potential Business for Local Agent

WASHINGTON—The intelligent use of advertising at the agent level will give him his share of the growing potential insurance business, Elwood Whitney, vice-president of Foote, Cone & Belding, New York advertising agency, told National Assn. of Mutual Insurance Agents here. One thing the agent cannot afford to do, in view of competition, is to do nothing, he declared.

This is an explosive, dynamic transition period in the economy, Mr. Whitney said. Many changes have occurred, more dramatic changes are ahead. They all mean additional business—but only for those who can change their marketing techniques to meet the changes in the economy.

He pointed to the consistent very large increase in the population, the redistribution of income which has placed the working class in the middle class, and the movement of people—to the suburbs, away from farms, to the south and west for young as well as old—as examples of what is occurring. Everyone in the days ahead will have more of everything, and better. Credit buying, which is so characteristic of the economy, will expand.

Obviously, he said, the fire policy of 1940 is badly out of date today, and the agent should confer with insured on the increase in dollar values of his property—it will compliment insured if the agent does. The increasing work force will swell workmen's compensation premiums, new housing, beach, resort and farm construction will expand fire, personal liability and other lines, and the automobile business will grow with the auto population zooming toward 60 million.

However, favorable growth conditions only represent increased opportunities for those agents, along with other merchandisers, who take advantage of them, Mr. Whitney said. People and goods have to be sold. With more money and needs people have more choices, new choices to make.

He said one favorable factor working for the agent is insurance company advertising. In 1955 nine insurers each spent more than \$1 million and four top mutual, non-life insurers spent more than \$2 million on advertising. Of course, no company advertising closes sales. The agent has to do that, and it is not an easy sale to make with an intangible and no "free trial." But company advertising is in effect a display, a show window and does do pre-selling. No matter how successful an agent may be, he can increase his business by tying in with company advertising. National advertising predisposes the prospect to buy the agent's product.

Beyond that, he suggested, the agent must merchandise himself and sell his service.

Agents should not feel that it is only for the big company to advertise. He did not recommend an orgy of it, an over extension. But, he declared, agents don't do enough and the advertising done by the entire insurance business is comparatively quite small.

Mr. Whitney commented that many agents do directory type advertising, in directories, phone books, and newspapers. It is advertising that is direc-

tory in nature. On the other hand TV and radio are intrusive, types of advertising and the agent should do more tiser, particularly the agent selling auto insurance, a bonus. The agent can reach the auto insurance prospect while he is driving his automobile.

Also the agent, being local, gets a local rate from most local stations. Radio is especially good because the cost is low per thousand impressions. It is good for selling auto insurance. There are 35 million car radios no one ever counts that offer the radio advertisement.

He also recommended highly the use of billboards as a substantially untapped media of real potential for the agent. The agent can buy test boards. They should be, he said, in high traffic areas, and they shouldn't be overwritten because the message must be delivered in a moment.

Agents can work in most cases work with the local advertising agency on a fee, non-commission basis, and he recommended that agents get the service. Advertising should be tied in with the company advertising theme because advertising has a cumulative effect when properly employed.

"Whatever you do, do it consistently," he advised. Sporadic advertising is the worst kind.

He suggested two special merchandising ideas for use by agents—an insurance center in a high traffic spot containing a well through out exhibit that can serve the function of answering questions about insurance; and a mobile display to take to factories, or suburban shopping centers, or wherever people are. If the latter seems undignified, he said, remember that the agent is offering information service on a subject of increasingly vital interest to more and more people.

President Earl Lamb commented that the NAMIA advertising committee already is working on a program of spot TV and radio announcements and billboard ads for use by agents.

## Blind Agent from Ark. Named Mutual Agent of the Year

WASHINGTON—Those attending the annual convention here of National Assn. of Mutual Insurance Agents applauded Charles B. Edwards of Conway, Ark., into "Mr. Mutual Agent of 1956." Eight agents from over the country competed for the distinction on the basis of personality background a seven minute speech and delivery of his talk. W. A. Turner of Sidney, Mont. was runner-up.

Other participants were Jack Howard of Gainesville, Tex.; Bernard T. Dodder of Washington, D.C.; Ira D. Keiter of Albany; Arthur G. Levy of New Orleans; Milton Wettenstein of Bridgeport, Conn.; Roy R. Allsopp of Waynesboro, Pa., alternate for C. C. Young of Scranton who was prevented from participating.

Mr. Edwards established his agency and finance company upon return from navy service in World War II. He is past president of the Arkansas association. In 1953 a bullet severed his optic nerve and he was left totally blind.

## Experienced Talent at Helm of NAMIA

The two officers at the head of National Assn. of Mutual Insurance Agents in its 24th and 25th years are veterans in the agency field. Back of them and the other officers is a competent and energetic headquarters staff.

Ralph B. Williams, the new president, started as a farmer but in 1931 became an agent of Equitable Society in Kansas City. In 1933 he decided to make his career in fire and casualty



Earl A. Lamb



Ralph B. Williams

and started his own agency. He first represented State Farm Mutual Automobile as district manager. Later he cast his lot exclusively with mutual companies operating on the agency system. His first fire company was Lumbermen's Mutual of Mansfield, O.

He is a governor of Insurance Society of Kansas City, director and past president of the Missouri association and he has been a vice-president and director NAMIA. He is thus also marking his 25th anniversary in the business.

Earl A. Lamb, the retiring president, is president of Heffner agency of New York City, which represents 25 agency mutuals. He is past president of the New York state association and was convention chairman for the 1950 and 1954 meetings. He entered business 24 years ago, first in the life field, and has been with the Heffner agency 20 years.

Philip L. Baldwin, executive secretary has fully recovered from his recent illness and was energetically con-



Frank E. Wilhoit



Phil L. Baldwin

ducting many of the affairs of the convention. He has been with NAMIA 17 years. When he took over it had 300 members, today it has almost 7,000.

He organized the better business bureaus in Cleveland and Cincinnati and was in that field for several years. Then he entered insurance with the late A. L. Baldwin, his father, who was the first general agent in Washington, D.C., of Northwestern Mutual Life. At one time A. L. Baldwin had all four of his sons working for him and three are still in the life field. J. Hicks Baldwin, general agent of New England Mutual in Washington, recently was reelected

(CONTINUED ON PAGE 44)

## Record Attendance, Record Plans Mark Silver Anniversary

Williams of K. C. Succeeds Lamb; Launch Number of Ambitious New Projects

By KENNETH O. FORCE

WASHINGTON—A record attendance of more than 700 marked the silver anniversary convention of National Assn. of Mutual Insurance Agents here. The meeting was notable for the number of ambitious new projects which have been planned or are ready to be launched, including an all-year 1957 membership drive, a study by an outside agency of NAMIA administration and objectives, etc.

Ralph B. Williams of Kansas City was elected president to succeed Earl Lamb of New York City. The convention adopted a change in the by-laws to create the new office of first vice-president so that succession to the presidency will be clear for an extra year to allow more thorough preparation for the office.

Claude P. Coates of Ft. Worth was elected first vice-president. Other vice-presidents elected are C. Goodman Jones of Bluefield, W. Va., Henry D. Bean of Haddonfield, N.J., John C. Parsons of Syracuse, and Ralph A. McCool of Memphis. Charles M. Boteler of Washington, treasurer, and R. A. Shenfield of Toledo, secretary, were reelected.

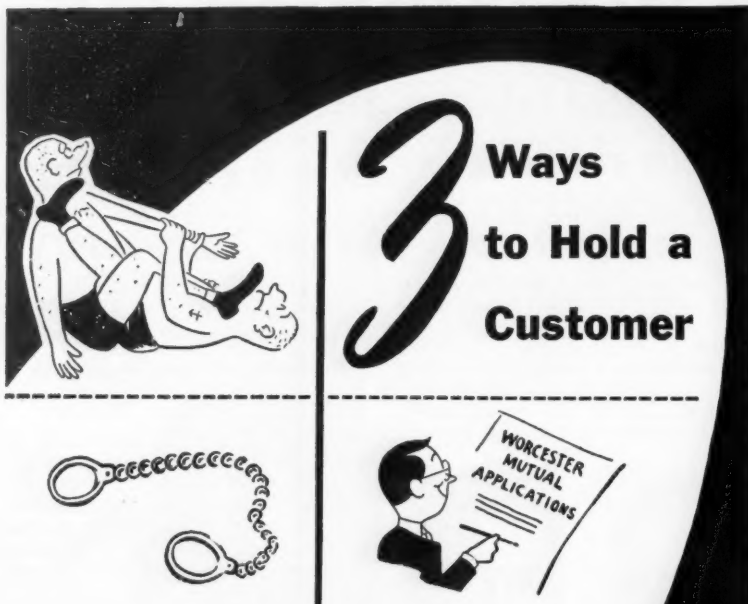
A resolution opposing any insurance fund administered by a state government that involves the collection of premiums and payment of claims was adopted. However, Morris Batzer of Atlantic City asked that it be tabled until New Jersey's unsatisfied claim and judgment fund has had a chance to prove itself as a positive alternative to compulsory automobile, which it gives indications of being. Mr. Batzer thought the resolution put NAMIA on record as being against that instrumentality but when he was asked if it collected premiums and paid losses, he said no.

Mutual agents will get strongly behind strict enforcement of auto traffic and safety laws, an idea embodied in another resolution. Also, the convention adopted the recommendation that the committee on uninsured motorists be instructed to study all phases of safety.

Directors of NAMIA have authorized an audit of the activities of NAMIA, along with a study of what the state associations want from their national association. NAMIA has retained the public relations firm of Gray & Rogers of Philadelphia to conduct the inquiry. The objective is to improve the operation where that is possible and evolve a program in keeping with the accelerated activities of both the national and state groups.

Many of the new projects now in the making for NAMIA have come from the efforts of the company-agent conference relations of which Charles M. Boteler of Washington is chairman. President Earl Lamb pointed out in introducing Mr. Boteler. The confer-

(CONTINUED ON PAGE 47)



## 3 Ways to Hold a Customer

Making a sale is one thing . . . keeping it sold is another. The 132 year old Worcester Mutual gives you advantages that help you do both . . . plus friendly assistance when the going gets tough.

### Worcester Mutual

#### FIRE INSURANCE COMPANY

Home Office: 49 Elm Street, Worcester, Mass.

★ We are looking for agents in:

|               |                  |
|---------------|------------------|
| Colorado      | New York         |
| Connecticut   | North Carolina   |
| Delaware      | North Dakota     |
| Florida       | Ohio             |
| Indiana       | Oklahoma         |
| Iowa          | Pennsylvania     |
| Louisiana     | Rhode Island     |
| Maine         | South Carolina   |
| Maryland      | South Dakota     |
| Massachusetts | Texas            |
| Michigan      | Vermont          |
| Minnesota     | Virginia         |
| Mississippi   | Washington, D.C. |
| Nebraska      |                  |
| New Hampshire |                  |
| New Jersey    |                  |
| New Mexico    |                  |



Established 1823

Massachusetts' Oldest Fire Insurance Company

## Safety Awards Now Big Feature of NAMIA Convention

The awards for fire and accident prevention work now constitute one of the features of the annual convention of National Assn. of Mutual Insurance Agents. At Washington Roy Allsopp of Waynesboro, Pa., chairman of the fire and accident safety committee, bestowed the plaques and certificates.

He announced that Morris Batzer, agent of Atlantic City, had contributed two large trophies, one for fire and one for accident, which will go to state associations with the largest number of entries in the regular awards list. Mr. Batzer made two similar trophies available to Pennsylvania Assn. of Insurance Agents at its annual convention in Bedford two weeks ago, for use with local boards.

The judging of the awards the past year was guided by Dale K. Auck of Federation of Mutual Fire Insurance Companies, Chicago.

First prize went to Western Turnpike Fire Prevention Committee of Albany, N.Y. This was the committee's first year of participation and Ira Keiter, agent, accepted the plaque. His group's main activity was distribution of "Sparky" sweat shirts to 600 school children. He offered conventioners a copy at \$1 apiece.

J. T. Sutton of Kinston, N.C., was the local agent winner of a plaque. Safety effort, he said, will make the agent money, enable him to sell larger premiums per policy and reduce losses, and raise the status to professional level.

Beacon Safety Council of Hickory, N.C., won a plaque, based on fire and accident prevention in traffic, industry, schools, homes and churches. Miss Lane Sutar, council executive secretary, accepted the plaque.

NAMIA made its first award in the commercial safety field to R. J. Reynolds Tobacco Co., and Robert T. Ellet Jr., its safety director, accepted. He said his company will not stop its efforts until every one of the 830 high schools of North Carolina teach driver education.

Certificates of merit went to the Junior Chamber of Commerce at Culpepper, Va., the Chamber of Com-

## Points to Rising Competition and Effects on Agents

Intense competition in the insurance business at the agency level is a development of quite recent times, and even yet has not developed to a degree to which the pressures now building up will bring it, Kenneth O. Force, executive editor of THE NATIONAL UNDERWRITER, told the annual convention of National Assn. of Mutual Insurance Agents in Washington, D. C.

Even a few years ago the incidence of loss was small enough, the threat of loss was remote enough, and dollar values exposed were low enough, that the individual and even the commercial firm on occasion could put off buying an important coverage with a reasonable chance of escaping hurt, he said. Consequently, a determined agent who was getting into the business could establish himself in almost any community in the country. There still are many opportunities to do so. But they are fewer today and success requires more work, better preparation and added endurance.

In 20 years, the population has increased, and the relationships between people and corporations have become considerably more complex, Mr. Force pointed out. The automobile has brought to every individual the threat of economic extinction by way of a jury award. Hurricanes and tornadoes have demonstrated to practically everyone that losses to property can be frequent, sudden and disastrous. In addition, the desire of the people for better medical and hospital care and their increased ability to pay for it in advance has built up a demand for disability protection, group and individual, that is large, widespread, and insistent.

Thus, to a considerable degree, peo-

(CONTINUED ON PAGE 45)

merce at Gary, Ind., for which Carl Tyler, agent there and member of the fire and accident safety committee of NAMIA accepted; Bristol, Va., fire department, Bethesda, Md., fire department for which Claud V. Hyson, agent, accepted, Junior Chamber of Commerce of Gary, Ind., and Waynesboro, Pa., volunteer fire department.

# Grain Dealers Mutual

## INSURANCE COMPANY

*Fire & Allied Lines • Automobile • Casualty • Inland Marine*

INDIANAPOLIS 7, INDIANA

Western Department: Omaha 2, Nebraska

*An Agency Company Operating Nationwide*



## NAMIA Has Education Program Ready, Launches Other Ideas to Help Members

WASHINGTON, D. C.—The second quarter century of National Assn. of Mutual Insurance Agents was launched at the 25th anniversary meeting here on a level of substantially increased energy and purpose.



Earl A. Lamb

The association has a number of ambitious and promising plans, some of which are already tested as to effectiveness, and they were described to the convention by Earl A. Lamb of New York City, the outgoing president, in his administration report.

The association, Mr. Lamb reported to the convention, is launching an educational program for agents. Laurence J. Ackerman, dean of the school of business of University of Connecticut, has drawn up a curriculum for the program, for which he will continue as professional adviser. The course will deal with insurance fundamentals, salesmanship and agency management. It has been designed to run five weeks, and the first course will be held at a location central to the most members—probably at a North Carolina university.

Professional teachers will be provided for the school, along with those in the business who are specialists in their subjects. In addition, one or two agents will probably appear on the

program to deal with selling and management.

Members of NAMIA have consistently expressed a demand for a good ground work course, Mr. Lamb pointed out. Nothing is available to them presently of this character and scope, though Lumbermen's Mutual Casualty has a good company school. The NAMIA school will all be paid for by the agents. Those agents attending the school will pay tuition to cover costs of room, etc., and the association will pay for the rest.

Registration will be limited, but after the first one has been held and the program is thoroughly launched, NAMIA hopes to have additional regional schools of the same character in other parts of the country.

In July, Mr. Lamb went on, NAMIA issued a folder entitled "What Do You Want From Your Insurance Agent?" The organization had 100,000 printed initially. The demand has been so great that presently NAMIA is working on its third 100,000 copies. The folder is for use by agents to mail to prospects and insured, and it has proved so successful that the organization immediately started to work on a second folder which is just about ready. This one is entitled "Frank Questions and Honest Answers About Mutual Insurance—Reading Time Four Minutes." On this as on the preceding folder, NAMIA pays the original cost and charges agents only printing cost for copies.

The folders constitute one of the results of the company-agent advisory (CONTINUED ON NEXT PAGE)

**INSURANCE  
TO FIT THE NEED**



## MULTIPLE LINE FACILITIES

*do more for you  
in a company offering  
deviated mutual rates*

THE  
*Shelby Mutual*

INSURANCE COMPANY  
of SHELBY, OHIO



**NON-ASSESSABLE  
FIRE & CASUALTY**

## A MAJOR BUSINESS ASSET

**BUSINESSMAN,  
HOMEOWNER,  
TAX PAYER...**

**YOUR LOCAL AGENT IS A HOMETOWN MAN!**

*The friendly, personal service, year in and year out... the close familiarity with, and understanding of your specific insurance problems are the "extras" you can get only from a local agent. His life and interests are closely tied with the community and the people whom he proudly serves. No one is better suited to handle your personal insurance problems than the agent in your own town.*

The mat ad, shown here in reduced size, bears no mention of our name.

The confidence and good will enjoyed by the *independent, local insurance agent* is a vital business asset. Toward the goal that the American Agency System be maintained and developed further, we offer our continued faith and support... in this particular instance by offering a newspaper ad mat which we feel will enhance the professional position of any Agent who uses it as *his* ad in his hometown newspaper.

*We offer this mat, 3 cols. wide x 6 7/8" deep, to all local Agents and all Agency Associations... without obligation, of course.*

**Berkshire**  
MUTUAL FIRE INSURANCE CO.  
Pittsfield, Massachusetts

SERVING THROUGH LOCAL AGENTS SINCE 1835



## Local Agent Serves You Best!

The Alliance agent in your community performs an important service. He is deserving of your patronage.

Our local agent is subject to your call day or night. It is to him you go with your insurance problems just as you go to your doctor for medical attention.

Do you realize what the local agent means to your community?

1. He pays taxes and helps build your community.
2. He is a part and parcel of your community.
3. He is interested in your welfare because he prospers as you and the community prosper.
4. He is always on hand to serve you.
5. He patronizes your merchants and deserves your patronage.

There is a local representative for the Alliance Mutual Casualty Co. of McPherson, Kansas in your territory—he may be a friend of yours—a neighbor. Let him tell you about the advantages of the Alliance plan of insurance.

### ALLIANCE MUTUAL CASUALTY COMPANY

McPHERSON, KANSAS

AUTOMOBILE & OTHER CASUALTY LINES  
OPERATING IN: ARIZONA, COLO., IDAHO, KAN-  
SAS, NEB., NEW MEX., OKLA., TEXAS & UTAH.

## What Counts... when the chips are down?

### LOCAL AGENCY SERVICE

Because we believe the best service to the insuring public is through the American Agency System, we are strictly an Agency Company.

Some 4,000 local agents from coast to coast are bringing the public "All 3" Employers Mutual coverages...

### FIRE • CASUALTY • BONDS

A NATIONAL INSTITUTION  
**Employers**  
MUTUAL CASUALTY COMPANY  
DES MOINES, IOWA



(CONTINUED FROM PRECEDING PAGE)  
conference of NAMIA, which has had its first year of operation. Several constructive ideas have come out of this and Mr. Lamb said that the agents are company-agency cooperative program, looking for more, all designed to enable the agent to do a better job in the area of public and customer relations. The brainstorming sessions of agents and companies earlier this year produced these ideas through the advertising subcommittee and public relations subcommittee, but there have been others for which the companies have furnished excellent advice and assistance.

NAMIA is working on a manual of procedure for the agent's office, something that he can give to the new employee to put the latter on the track so the agent can get out and merchandise. The organization is revising its accounting manual to make it more attractive and usable. The revised edition will contain pictures and other features.

Beyond this, NAMIA is adopting a procedure to give more push to the CPCU movement. It is running articles each month in *Mutual Review* by a successful agent who is a CPCU on what CPCU training has done and is doing for him. In addition to this, the review is periodically publishing successful sales talks. The first one will be a description of the telephone selling technique worked out by John Reed of Chicago, president of Illinois Assn. of Mutual Insurance Agents, for the sale of automobile business. This technique has enabled Mr. Reed to put on his books between \$200,000 and \$250,000 in automobile premiums. Its purpose, and it has been highly effective, is to get the name of insurer, the expiration date on his automobile policy, and appointment a month ahead expiration.

The association is in the process of making a colored picture of what NAMIA does, Mr. Lamb reported. This deal with such activities as the meeting of directors, the presidents' advisory group which advises directors, what the Washington office does and what it has to offer, etc. The picture will be taken to state meetings to show what NAMIA is doing for the agent at the local level.

Mr. Lamb reported that membership has reached almost 7,000, which is a

## Companies Add to NAMIA Festivities

Many companies had displays at the NAMIA convention and some maintained hospitality headquarters.

**Pennsylvania Lumbermens** got out a daily 4-page newspaper on convention affairs, with pictures. Rogers & Gray of Philadelphia handle this one.

**Central Mutual** had its spotted fire dog on hand to draw the crowds.

**Norfolk & Dedham** also got into the dog act this year with a French poodle, awarded at the annual banquet, with the promotion billed as "dog to win man."

**Employers Mutual Casualty** of Des Moines conducted an election guessing contest, with a \$100 bond to go to the agent who wins, after the Nov. 6 election.

**Guarantee Mutual Fire** of Springfield, O., provided free newspapers.

Other exhibitors included **Mill Owners of Des Moines, Grain Dealers, Northwestern Mutual, Lumber Mutual of Boston, Shelby Mutual, Improved Risk Mutuals, Pawtucket, Union Mutual of Providence and Lumbermens of Mansfield.**

## Elect Experienced Talent to Helm of NAMIA

(CONTINUED FROM PAGE 41)  
treasurer of National Assn. of Life Underwriters, and Roger B. and Joseph S. are Northwestern Mutual Life agents in Washington.

Mrs. Baldwin, May M., has been with NAMIA 12 years. She is editor of *Mutual Review*, of which Phil L. is managing editor, and with Phil L. is one of the most widely known figures among the mutual agents of the country.

Frank E. Wilhoit, assistant to executive secretary Baldwin, is a native of Atlanta. His early business experience was in the automobile and consumer finance business. Before joining the association in 1953, he was with the air force.

1,500 increase in the past year. He recommended to the incoming administration a strong membership campaign, based on the program which the New York association has used and which has increased its membership very substantially.



## how fast is PROMPT?

"In our case it's fast enough for many insurance agents to choose Norfolk and Dedham first as the company that pays claims promptly and fairly... a mighty important consideration in selecting any company. This important "promptness," plus a complete range of modern coverages makes Norfolk and Dedham a wise recommendation to your customers,"

says HOMER

FIRE and Allied Lines  
Comprehensive AUTO FIRE, THEFT, COLLISION  
HOMEOWNERS POLICIES where permitted by law  
INLAND MARINE and Miscellaneous Casualty

Attractive contracts available to qualified agents. Phone or write today.

**NORFOLK AND DEDHAM** Mutual Fire Insurance Company  
DEDHAM, MASSACHUSETTS



## Points to Rising Competition and Effects on Agents

(CONTINUED FROM PAGE 42)

ple are no longer sitting back uninsured, self-insured or improperly insured.

Also, new companies have come into insurance eager for business and willing to send men out to face the prospect with the request to buy. These companies, operating with exclusive agents, have moved to exploit such new opportunities as those created by financial responsibility laws.

For these and other reasons, the agent and agency company do not have the option they once had, of moving at their own pace. Now and to a growing extent in the future they are going to have to move quickly, more firmly, more expertly.

There is more competition in the insurance business than ever before. For one reason, there is more money in the business to undertake risk and to support aggressive promotion programs. There is deviation right and left, both in form and price. It seems a long time ago when a dividend was practically the only price competition that was being exerted. It took 75 years to get a fire policy that was substantially standard throughout the country, and about three years to modify it by such attachments and combinations that its original sponsors, now dead, might well consider that it had never started on its cycle of standardization.

The so-called direct writers are accelerating, and the competitive situation has caused the alert agent to review his position and try to determine at what point he is least prepared to meet and surmount the rising pressures. Among the most important of these points are administration, sales, and advertising.

This is a personal business and some agents use this characterization in order to relieve themselves of the responsibility for building an organization. But many other businesses are also personal. This does not absolve the agent from being a business man who understands what is involved in the administration of a business.

The agent must solve his administrative problems if he is to maintain an effective merchandising program. It is, of course, easier for the agent to decide that he has as much business as he wants and can handle.

Insurance is a growth business. It is not a novelty, or a luxury, or a fad, Mr. Force said. It is a need that increases with population and property values. Either the local agent supplies these insurance needs as they grow or someone else will.

Consequently, the agent can't sit

still, even if he is willing to do so. He has to be an administrator, even with a small office. Otherwise he cannot get the clerical duties off his back long enough to tell prospects and clients about his product. He has to do more selling today than five or ten years ago to keep even and a good deal more to get ahead.

In selling, he pointed out, the mutual agent who once was making the principal price appeal now is in partially a defensive position. With direct writers, only rarely can the mutual agent ask insured for a decision on price alone because he does not have, with few exceptions, the lowest price to offer. If he improves his price position, unless the business is really undesirable, the new competition would underprice him on the next round.

Agents are beginning to discover that advertising, individually and through associations, can be effective in selling the local, independent agent and his product, he said.

Because he is a natural target for every amateur method for raising money that local man can devise, the local agent has tended to regard all advertising promotions as contributions. Naturally he concluded that advertising was ineffectual, which it is when it is of this kind.

But under the pressure of competition, agents are beginning to discover real values in advertising.

Calling attention of insured to the date driver licenses or car plates are due is a "service" promotion. Compulsory in New York will create many ways of being of service and at the same time to advertise and sell. This opportunity—and obligation—extends to every agent in the U. S. because at any time any one or more of his insured may drive into New York state and become subject to the New York compulsory law.

To be effective the advertising should tell what insurance means to the prospect or insured—not to the agent or the underwriter, he said. Home grown or home applicable losses are dramatic and impressive. In advertising of all kinds it is not so much size as continuity and freshness that count.

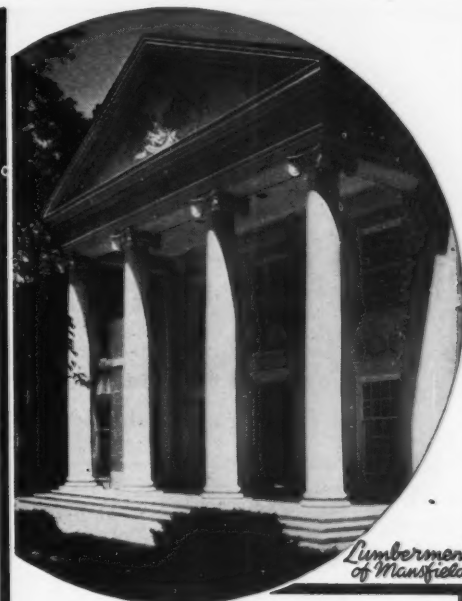
Competition is tougher today, and it is likely to increase, he said. But there is a lot more business to compete for. It has always been true, however, only now it becomes more so, that there is no way to meet competition except with the customer and prospect. The agent has to go to him to get the decision.

## "Good Will"

is a desire on the part of a person or persons to return to the people and their places of business where they have been well treated . . . it has a value"—so decided the Supreme Court many years ago.

The people at Lumbermens, many years ago, had a desire to establish an insurance relationship between policyholders, agents, and company through which each would be adequately protected and all could profit by the transaction.

Thus developed the Good Will now recognized as outstanding in our fields of coverage.



Lumbermens of Mansfield

Non-assessable, dividend paying, good will policies and services have been the mainstays of our growth.

We suggest that you join us for your share of the good will—and the profit.

Write today.

Good Will policies

across the Nation

THE **LUMBERMENS**  
Mutual Insurance Company  
MANSFIELD, OHIO

IN THE MIDWEST AND FLORIDA,  
PROGRESSIVE INDEPENDENT  
AGENTS PREFER TO SELL THE BROAD  
POLICIES, THE PROMPT SERVICE,  
AND THE FINANCIAL STRENGTH OF  
THIS 40-YEAR-OLD MUTUAL COM-  
PANY.

AUTOMOBILE • FIRE  
BONDS • GENERAL CASUALTY

**Auto-Owners**

INSURANCE COMPANY  
HOME OFFICE AT LANSING, MICHIGAN

## MIDDLESEX MUTUAL FIRE INSURANCE COMPANY 130 YEARS AN AGENCY MUTUAL



Concord Minute Man

As of December 31, 1955  
Assets \$10,626,738.00

Total Liabilities \$4,475,991.00

Surplus \$6,150,747.00

Licensed in

MAINE, NEW HAMPSHIRE, VERMONT, MASSACHUSETTS,  
RHODE ISLAND, CONNECTICUT, NEW YORK, PENNSYLVANIA,  
OHIO, NORTH CAROLINA, SOUTH CAROLINA, GEORGIA,  
FLORIDA, MISSISSIPPI, LOUISIANA, TEXAS,  
CONCORD, MASS.

# State Automobile Mutual Insurance Company

Columbus, Ohio

Established 1921

One Of The Largest Multiple-Line Mutual  
Companies Operating Exclusively Under  
**THE AMERICAN AGENCY SYSTEM**

Automobile—Fire—Bonds

General Liability

Burglary—Glass—Workmen's Compensation

Agency Connections Available In

Alabama—Georgia—Florida—Kentucky—Maryland  
Michigan—Missouri—Ohio—Tennessee—West Virginia

## GREETINGS AND BEST WISHES

TO ALL OUR MANY FRIENDS

WITH THE

NATIONAL ASSOCIATION

OF

MUTUAL INSURANCE AGENTS

**INDIANA LUMBERMENS**  
MUTUAL Insurance Company

INDIANAPOLIS 9, INDIANA

The substantial character of the agents who  
represent us is an indication of business stability  
which has characterized this Company since 1826.

Interested Particularly  
in inquiries from  
Upper New York State.

**HINGHAM MUTUAL  
FIRE INSURANCE CO.**  
Hingham, Massachusetts

## Flood Program Not Yet Definitized

Frank J. Meistrell, head of the new Federal Flood Indemnity Administration, told National Assn. of Mutual Insurance Agents at its convention in Washington, D.C., that while the agency hopes to make arrangements with private insurance agents so that the public will obtain their flood loss policies through these established business channels, the problems relating to commissions have not been resolved.

However, he said, agents represent key forces in the success of the new "federally-aided program of indemnity for flood damage." Actually, he said, it is through agents, to a large extent, that the public must learn the purposes and the benefits of the program.

Also, the extent to which the program produces protection for the people against disastrous flood losses will depend largely on the efforts of agents. The cooperation agents already have extended to the government in the program, before legislation was passed and since, holds promise for the early development of an effective and valuable insurance operation.

Mr. Meistrell said the new program by law and administrative policy is not intended to compete with private business. It is to be carried out to the fullest extent possible through facilities of private insurers.

Moreover, it is the stated purpose of the experiment that when experience has been gained and a basis for this insurance developed, the housing administrator will report to Congress on the feasibility of converting this responsibility to a private operation. The government is not going into this business for the purpose of staying in it, but only to help get it established, he declared.

The government anticipates that the program to be successful must be developed on a sound business basis, and commissions must be fair and equitable for the agents who handle the policies, he said. However, he said he hoped that agents will see in the program opportunities beyond the immediate commission. He hopes agents will feel that they are engaged in pioneering a new and needed type of public protection against loss that has a tremendous potential in the security of the people as well as in the growth of the insurance business.

Rapid progress is being made on the basic problem of determining the rate for the new insurance, he said. A vast amount of data, covering a number of areas with varying types of flood peril, has been assembled and now is being

## General Agents Elect Williamson

WASHINGTON—Mutual General Agents Assn. at its annual meeting in connection with the convention of National Assn. of Mutual Insurance Agents here, elected Eric Williamson of Kansas City president, William E. Swigert Jr. of Huntingdon, Pa., vice-president and secretary, and Henry D. Bean of Haddonfield, N.J., vice-president and treasurer.

New directors are Nels C. Lerdahl of Reitan-Lerdahl & Co. of Madison, Wis., William J. Watson of Weston & Watson, Providence, Bill Harris of Ft. Worth, and Frank H. Spears of John Ratteree & Cox, Greer, S.C.

This was the 10th anniversary of the group, and to make a special event of the occasion as well as the 25th of NAMIA, the general agents put on display in the lobby of the Shoreham "Juniata," an original Franklin fire truck from Philadelphia. Along with the truck there were on display lead plates of Fire Association, Lumbermens, Greentree, and Hand-in-hand, Ax, Horn, Rattle, Light, Silver Trumpet, and some original photographs and Currier & Ives prints of fires and fire fighting. These all were from the Swigert museum which Swigert Associates at Huntingdon have collected and now have housed in a special museum building.

The general agents of which 28 from over the country attended, discussed their promotion and advertising program and voted to enlarge it. The group also repeated its popular picture taking booth where, with a Polaroid, they take individual pictures of agents. They took more than 500 this time.

## New Hattiesburg Mutual Board

Hattiesburg (Miss.) Assn. of Mutual Insurance Agents has been organized with Earl Nelson as president, Gauden Smith vice president, and Myrtis Saucier secretary. Evening meetings are planned for the third Thursday of each month.

## N. J. Agents' Mid-Year March 4-5

New Jersey Assn. of Insurance Agents will hold its mid-year meeting March 4-5 at Berkeley-Cartaret hotel, Asbury Park. More than 600 are expected to attend.

analyzed. The agency is developing a technique for making rates that will reflect differences in the probable risk of exposure to flood loss.

He said he expects that policies can be made available the early part of next year.

## ABINGTON MUTUAL FIRE INSURANCE CO.

ABINGTON, MASSACHUSETTS

1856—1956

One Hundred Years an Agency Mutual



## Record Attendance Marks Silver Anniversary

(CONTINUED ON PAGE 41)

ence itself, he said, is to a considerable extent the result of Mr. Boteler's effort. Mr. Boteler, who is also treasurer of the association and reported finances in excellent shape, introduced the members of subcommittee of his committee who were on hand—W. A. Stringfellow, executive secretary of the North Carolina association, public relations, Goodman Jones of Bluefield, W. Va., office procedures, and Claud Spencer of Danville, Ill., education and training.

Mr. Stringfellow pointed out that the effort of his committee has been to set up goals. Four have been pretty thoroughly outlined—creation of a fact folder on mutual insurance which was okayed at the convention and which will be ready in a few weeks, and the creation of a speakers bureau and the supply of speaking material, which is also about ready. The other two consist of a film bureau at the national office to supply agents and associations, and the other a PR guide for use by agents in their communities.

Mr. Jones reported on the rewriting and re-editing of the accounting manual, which has been about accomplished by two agents, two company men and an advertising specialist, the latter to make it pictorial in nature.

Mr. Spencer said the typical agent in Illinois is a converted direct writer, as he is, or an agent without a building and loan or bank to coerce him some business. So he thought all agents would be interested in discovering from the display at the convention the educational aids available to members. The display is going to every state association eventually. It will surprise many agents to know how much material is available for their use and improvement.

Also, the first school under the new educational program will open next June 17 at the University of North Carolina. For \$350, he said, the agent will be able to buy tuition, room, board, books, supplies, etc.—everything except transportation. The school will be the equivalent of three semesters in college.

For 1956-57 NAMIA has set up the biggest budget in its history, Benjamin G. Sager of Cleveland reported to the convention. The money earmarked for spending is going back into services for agents. Of the total income \$115,000 plus, dues account for less than half. The remainder is made up by mutual review, commissions on errors and omissions, interest etc. A substantial part of the E&O commissions go for expense allowance for state associations, he said.

With what NAMIA is doing and setting out to do, he added, state associations and their members should have no difficulty making a success of the

1957 membership drive which state association executive secretaries have lined up. He urged agents participating in the drive to get company field men to help—they are key factors in this effort.

One topic discussed by directors is a retirement plan for employees of NAMIA.

Much was made of the fact that the organization is a quarter century old, and a giant blow-up of a photograph showing those attending the first convention hung behind the podium during the convention sessions.

Fred A. Reuning of Bristol, Va., one of the early presidents, informally reviewed the early years of the organization and called to the stand several agents and company men who attended the first meeting and had them point out their 25-year-old appearance in the photographic blow-up.

Mr. Reuning speaks with wit and humor and salted his observations with coon dog and other type stories. He recalled that there were only half a dozen or so mutual agencies in Virginia in those days and not many more by taking in Maryland and D.C., which furnished the first convention's total attendance. He observed that dues were \$10 then and \$8 now, a phenomenon remarkably unusual. But, he added, NAMIA couldn't tax anyone \$20 for a convention in those days—it would have broken several of the agents.

Among the old timers who helped NAMIA along in its formative years he recalled Frank Brigham of Merimack Mutual, who recently was honored at the 50th anniversary convention of Vermont Assn. of Insurance Agents as the one survivor of the organizers of that group.

In those days, he said, mutual agents couldn't subscribe to some of the rating bureaus and get the published rates so the agents had to be good at guessing.

The convention officially opened Monday with a luncheon at which most of the past presidents still living were introduced from a special head table. They were John R. Chappell Jr. of Richmond, Albert R. Peters of D.C., Emmett V. Thompson of St. Louis, Mr. Reuning, Mr. Boteler, Floyd H. Craft of Greensboro, N.C.; George E. Phelan of Bloomfield, N. J.; Sam S. Chandler of Macon, Ga.; Mr. Sager, Hugh H. Murray Jr. of Raleigh, R. E. Hill of Chattanooga, E. F. High of Columbus, O., John H. Kroll of D. C. Harry E. Uhler of Baltimore and J. F. Montgomery of Jackson, Miss. Corey G. Hunter of Moravia, N.Y., did not attend, and Chester C. Jennings of Baltimore is in Florida recuperating from an operation.

The invocation was given by Rev. Herbert W. Lamb Jr., rector of Grace Episcopal church, Silver Spring, Md. brother of president Earl Lamb.

Charles M. Boteler Jr., the convention chairman, made several announcements, and Mr. Kroll, vice-chairman, took a bow. Mr. Kroll also is councillor to the U.S. Chamber of Commerce and reported on the activities of that job. James F. Minor of Charlottesville, Va., chairman of the organization meeting of NAMIA 25 years ago, was introduced and spoke briefly.

## VERMONT MUTUAL FIRE INSURANCE COMPANY

ORGANIZED 1828

MONTPELIER, VERMONT

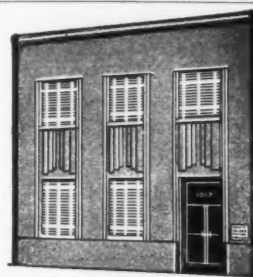
Consistent dividends to policyholders of at least 20% is a feature that helps agents assure renewals.

*The Following are the Coverages Written by this Company:*

|                                 |                            |
|---------------------------------|----------------------------|
| Fire and Allied Lines           | Sprinkler Leakage          |
| Marine (Excluding Ocean Marine) | Automobile Physical Damage |
| General Liability               | Homeowners Policies        |
| Burglary                        | Glass                      |

Comprehensive Dwelling Policies

AGENCY REPRESENTATION SOLICITED IN OPEN TERRITORIES



**Inland Mutual  
Insurance Co.  
Huntington, W. Va.**

Automobile Insurance Specialists

An Agency Company

In our 20th Year

## THE REPUBLIC MUTUAL FIRE INSURANCE CO.

NEW BROTHERHOOD BUILDING

KANSAS CITY 1, KANSAS

Organized 1884

Curtis T. Collins, Pres.

Writing Fire and Affiliated Lines,  
Tornado and Windstorm,  
Full Coverage Automobile

A STRICTLY AGENCY COMPANY

Desirable Agency Connections Solicited

## WE HOPE YOU

Enjoyed your newspapers at the convention.

THE PLEASURE WAS OURS!

THE GUARANTEE MUTUAL FIRE INSURANCE CO.

Springfield, Ohio

1907—A Half Century of Progress &amp; Service—1957

Incorporated 1902

The

## OHIO HARDWARE

Mutual Insurance Company

Coshocton, Ohio

An Excellent Company to Know

## FTC Examiner Would Drop Charge Against Auto Owners of K. C.

WASHINGTON—An order of Federal Trade Commission Examiner Cox would dismiss the charge of false and misleading advertising against Auto Owners Safety Ins. Co. of Kansas City. He said that though the advertising on which the complaint was based is misleading it has been abandoned.

However, the FTC can reverse this action. It has already held that abandonment of misleading advertising is not enough to justify dropping a complaint against an insurer.

Examiner Cox said that over its entire existence Auto Owners had tried consistently to cooperate with the FTC by submitting its advertising and making changes to meet suggestions of the FTC staff. This cooperation can be expected to continue and there is no basis for supposing the company will resume the objectionable advertising, he said, hence there would be no point in issuing a cease and desist order.

## Pacific Claim Managers Elect Hawkes President

Kenneth S. Hawkes, vice-president of Northwestern Mutual, was elected president of Pacific Claim Executives Assn. at its annual meeting in Los Angeles. He succeeds Charles Umland, claims superintendent of Fireman's Fund.

Other new officers are John Biglow, vice-president of Farmers group, vice-president; W. W. Dashiell, claims manager of Civil Service Employees Ins. Co., reelected secretary-treasurer.

Elected to the board in addition to the officers were Mr. Umland; Fred Graham, vice-president of United Pacific, and E. W. Egle of Gulf.

Speakers at the convention were Herbert Kirschner, publisher of *Insurance Adjuster*, who described the challenge of National Assn. of Compensation Claimants Attorneys; Stuart Turner, San Francisco agronomist, who discussed losses from drift of spray on growing crops and other damage resulting from scientific farming; Albert Wood, manager of Western Insurance Information Service, who described the WIIS program; Arthur Campbell, president of National Assn. of Independent Adjusters, who reviewed the accom-

plishments and aims of the association, and William Waters, Los Angeles attorney, who reviewed California cases on sharing liabilities.

Panel discussions covered high loss ratios, manpower problems, adjuster training, trends in workmen's compensation and adaptation of electronics to claims statistics.

## Western Loss Assn. Elects Bowers President

Western Loss Assn. at its annual meeting in Delavan, Wis., elected L. H. Bowers of Fireman's Fund president to succeed D. S. Lightfoot of Springfield F.&M.

Other new officers are A. M. Devroye of Millers National, vice-president; F. W. Robertson of Factory Association, secretary-treasurer, and R. S. Schoewe of Sun, assistant secretary. New executive committee members are Mr. Lightfoot and P. E. Olson of Aetna Casualty.

Principal speaker at the two-day program was Percy Brown Jr. of Ogden, Galphin & Abell, Louisville law firm, who presented a paper on arson.

A series of panel discussions augmented the business meeting and golf tournament. Panel subjects and speakers were:

**BLASTING LOSSES**—F. S. Schoefler of Crum & Forster, moderator; Mr. Lightfoot, A. H. Nelson of America Fore and Mr. Devroye.

**BAILEE LOSSES**—E. W. Gielow of Phoenix-Connecticut group, moderator; T. G. Gunn of Hartford Fire and S. Knapik of London Assurance.

**COLLAPSE LOSSES**—L. E. Zell of Hanover Fire, moderator; J. Fegan of Travelers, W. J. McCarren of Hartford Fire and W. B. Beeson of North British group.

**PACKAGE POLICY CASUALTY CLAIMS**—F. F. Leali of National Fire, moderator; Mr. Fegan and George Krug of Phoenix of London.

**AUTO CLAIMS**—W. A. Foster of Fire Association, moderator; Mr. Schoewe and R. A. Rogers of Glens Falls.

**FARM LOSSES**—A. W. Kohlhaugen of State Farm F.&C., moderator; J. Ehrlich of Aetna and W. D. Thompson of America Fore.

## Travelers Remodels Indianapolis Branch

Travelers has opened a newly remodeled branch office in Indianapolis. Office space has been increased by several thousand feet and offices will be fitted with modern bank-type partitions, fluorescent lighting, acoustical ceiling, asphalt tile flooring, and automatic telephone equipment.

Patrick E. Arneson is manager of casualty, fidelity and surety, and Frank Searingen is manager of fire and marine.

## Tells Tennessee Agents Public Wants Compulsory

(CONTINUED FROM PAGE 7)

obvious that most of the agents agreed with him and praised him for his courage. J. H. Bandy, Nashville, new state national director for Tennessee and past NAIA casualty committee chairman, was the only person to comment on Mr. Donoho's remarks. He asked if any such sentiment should be coupled with a movement to limit contingent fees of attorneys in personal accident suits. It was brought out that only last week one division of the New York courts had done exactly that.

## Murphy Warns Business Must Oppose Unfriendly Laws

The insurance business must strongly oppose unfriendly legislation if it is to survive and to continue to serve the public's best interests, Ray Murphy, general counsel of Assn. of Casualty & Surety Companies, declared in a talk before the annual dinner of General Insurance Brokers Assn. of New York.

The business is a vital contributing segment of the national economy and yet is a favorite target in the legislative halls, he said. In 1955 alone, the association found it necessary to examine closely more than 20,000 bills in state legislatures across the country. More than 1,500 became law and a great many of them were adverse, Mr. Murphy reported. Of 7,260 bills in New York legislature's 1956 session, the association found 1,700 which affected the business. A total of 103 became law.

These figures point up the need for constant awareness and vigilance if the business is not to be injured materially to the detriment of the insuring public which it serves, Mr. Murphy warned.

He said unfriendly legislation must be guarded against for three reasons. (1) Since insurance is integrated with the general economy, any attack on insurance is an attack on industry as a whole, (2) since insurance provides stimulation and assistance for the expansion of free enterprise, any attack on insurance is an attack on free enterprise, and (3) since insurance provides the public with a tremendous amount of protection, any attack on insurance is an attack on the public.

At present, Mr. Murphy continued, segments of the business are doing an excellent job of combatting the tendency toward legislative control. Through publicity and public relations programs they are telling the truth to the public and to the legislators throughout the country.

But the business has just scratched the surface of its capacities, Mr. Murphy asserted. Untapped strength rests in every state and community at the grass roots level, and companies, producers and constituent bodies must join in a common cause to promote the welfare in the business and, in so doing, to promote the welfare of all the people. Leadership, devotion, wisdom and understanding are needed, Mr. Murphy said.



Pictured at the recent 115th anniversary dinner of Greater Buffalo Assn. of Insurance Agents are (left to right): C. Fred Ritter of Middletown, president of New York State Assn. of Insurance Agents; and John N. Walsh, president, and John Olson, past president, of the Buffalo association.

## COOKE WARNS

## Buyers Must Accept Inflation, Insure To Future Liability

In awarding tremendous verdicts for personal injury claims, juries in most parts of the country seem to feel they are not hurting the insured—but merely distributing the “unearned wealth” of insurance companies, said Ben D. Cooke, managing director of Agency Managers Ltd. of New York, in an address before the insurance buyers of Pittsburgh.

Insurance companies and underwriters may not agree with this picture of what the business looks like in the eyes of the average jurymen and woman, but the truth is that the efforts of American casualty companies to correct this topsy-turvy notion by means of national advertising do not appear to have met with any great success, Mr. Cooke stated. The inflationary spiral and the rising cost of living influence juries in making their awards. Insurance in the higher brackets should not be bought merely on today's possible liability but with a view to what that liability might be five years from now, he advised.

Insurance buyers must accept inflation as a real hazard and guide themselves accordingly. If they do not, he warned, they may find to their regret that the insurance they bought as being sufficient for today will pay only part of the amount of the claim they will have to pay tomorrow.

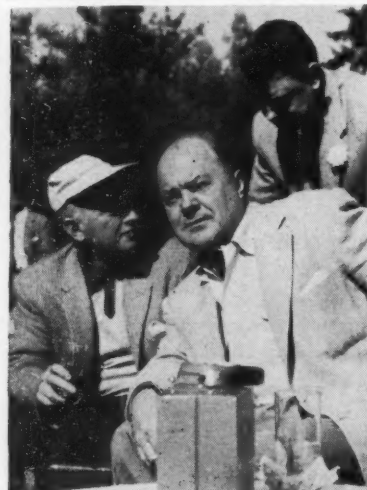
Mr. Cooke is also senior partner of B. D. Cooke & Partners Ltd., non-marine underwriters for seven British insurance companies, both tariff and non-tariff. In his U.S. firm, he is the casualty reinsurer and excess loss underwriter for four American companies.

Insurance Women of Los Angeles will hold their annual bosses' night Nov. 13 at the Mayfair hotel.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co  
135 S. La Salle St., Chicago, Oct. 23, 1956

|                               | Bid    | Asked  |
|-------------------------------|--------|--------|
| Aetna Casualty .....          | 119    | 121    |
| Aetna Fire .....              | 60 1/2 | 62     |
| Aetna Life .....              | 176    | 179    |
| Agricultural .....            | 29 3/4 | 30 3/4 |
| American Equitable .....      | 35 1/2 | 36 1/2 |
| American, (N. J.) .....       | 24     | 25     |
| American Motorists .....      | 11     | 12     |
| American Surety .....         | 19     | 20     |
| Boston .....                  | 35     | 36     |
| Camden Fire .....             | 26 1/2 | 27 1/2 |
| Continental Casualty .....    | 85     | 87     |
| Crum & Forster com. ....      | 60     | 64     |
| Federal .....                 | 34     | 35     |
| Fire Association .....        | 44     | 45     |
| Fireman's Fund .....          | 52     | 53 1/2 |
| Firemen's, (N.J.) .....       | 34 1/2 | 35 1/2 |
| General Reinsurance .....     | 44     | 45 1/2 |
| Glens Falls .....             | 70     | 72     |
| Globe & Republic .....        | 16 3/4 | 17 3/4 |
| Great American Fire .....     | 34     | 35     |
| Hartford Fire .....           | 143    | 145    |
| Hanover Fire .....            | 40     | 41     |
| Home (N.Y.) .....             | 43     | 44     |
| Ins. Co. of No. America ..... | 96     | 97 1/2 |
| Maryland Casualty .....       | 31 1/4 | 32 1/4 |
| Mass. Bonding .....           | 29     | 30 1/2 |
| National Casualty .....       | 61     | Bid    |
| National Fire .....           | 92     | 95     |
| National Union .....          | 39     | 40     |
| New Amsterdam Cas. ....       | 44     | 46     |
| New Hampshire .....           | 37 1/2 | 39     |
| North River .....             | 34     | 35 1/2 |
| Ohio Casualty .....           | 22     | 24     |
| Phoenix Conn. ....            | 68     | 70     |
| Prev. Wash. ....              | 20 1/2 | 21 1/2 |
| St. Paul F. & M. ....         | 49     | 51     |
| Security, Conn. ....          | 34     | 36     |
| Springfield F. & M. ....      | 48     | 50     |
| Standard Accident .....       | 51     | 52     |
| Travelers .....               | 73     | 74     |
| U.S.F.&G. ....                | 62     | 64     |
| U. S. Fire .....              | 21 1/2 | 22 1/2 |



George Albrecht of the Chase-Manhattan bank of New York and E. G. Trimble of Employers Reinsurance listening to the “perfect” world series game on Mr. Trimble's portable radio, with F. E. Schiele of Seaboard Surety listening in at joint casualty convention in West Virginia.



# LOYALTY GROUP

## FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

DECEMBER 31, 1955

| ASSETS                                       |                  | LIABILITIES                    |                  |
|--|------------------|--------------------------------|------------------|
| Cash   | \$ 5,406,999.79  | Reserve for Losses             | \$ 18,710,827.16 |
| Mortgage Loans on Real Estate                | 946,030.04       | Reserve for Loss Expenses      | 1,621,400.00     |
| *Bonds and Stocks                            | 162,401,031.61   | Reserve for Unearned Premiums  | 52,622,853.30    |
| Interest due and accrued                     | 236,182.94       | Reserve for Taxes and Expenses | 3,290,258.00     |
| Agents and Departmental Balances             | 3,803,131.44     | Funds held under Reinsurance   |                  |
| Real Estate                                  | 3,086,000.00     | Treaties                       | 5,845,871.38     |
| Equity in Marine and Foreign Insurance Pools | 9,721,363.59     | All other Liabilities          | 1,261,182.18     |
| All other Assets                             | 1,365,827.61     | Capital                        | 15,000,000.00    |
| Total admitted Assets                        | \$186,966,567.02 | Net Surplus                    | 88,614,175.00    |
|  |                  | Total                          | \$186,966,567.02 |

**SURPLUS TO POLICYHOLDERS \$103,614,175.00**

Securities carried at \$3,808,805.91 in the above statement are deposited as required by law.

## GIRARD INSURANCE COMPANY OF PHILADELPHIA, PA.

DECEMBER 31, 1955

| ASSETS                           |                 | LIABILITIES                    |                 |
|----------------------------------|-----------------|--------------------------------|-----------------|
| Cash                             | \$ 534,201.96   | Reserve for Losses             | \$ 1,954,862.54 |
| Mortgage Loans on Real Estate    | 1,283.32        | Reserve for Loss Expenses      | 169,400.00      |
| *Bonds and Stocks                | 14,240,435.20   | Reserve for Unearned Premiums  | 5,864,044.20    |
| Interest due and accrued         | 46,379.76       | Reserve for Taxes and Expenses | 382,318.00      |
| Agents and Departmental Balances | 178,165.49      | All other Liabilities          | 17,574.18       |
| Real Estate                      | 150,000.00      | Capital                        | 1,000,000.00    |
| All other Assets                 | 262,765.55      | Net Surplus                    | 6,025,032.36    |
| Total admitted assets            | \$15,413,231.28 | Total                          | \$15,413,231.28 |

**SURPLUS TO POLICYHOLDERS \$7,025,032.36**

Securities carried at \$795,543.41 in the above statement are deposited as required by law.

## NATIONAL-BEN FRANKLIN INSURANCE COMPANY OF PITTSBURGH, PA.

DECEMBER 31, 1955

| ASSETS                           |                 | LIABILITIES                    |                 |
|----------------------------------|-----------------|--------------------------------|-----------------|
| Cash                             | \$ 851,570.55   | Reserve for Losses             | \$ 1,954,862.54 |
| *Bonds and Stocks                | 13,320,277.37   | Reserve for Loss Expenses      | 169,400.00      |
| Interest due and accrued         | 37,914.18       | Reserve for Unearned Premiums  | 5,497,910.04    |
| Agents and Departmental Balances | 1,749,124.28    | Reserve for Taxes and Expenses | 387,418.00      |
| Real Estate                      | 66,000.00       | All other Liabilities          | 17,574.18       |
| All other Assets                 | 132,584.55      | Capital                        | 2,000,000.00    |
| Total admitted Assets            | \$16,157,470.93 | Net Surplus                    | 6,130,306.17    |
|                                  |                 | Total                          | \$16,157,470.93 |

**SURPLUS TO POLICYHOLDERS \$8,130,306.17**

Securities carried at \$1,956,902.96 in the above statement are deposited as required by law.

## MILWAUKEE INSURANCE COMPANY OF MILWAUKEE, WIS.

DECEMBER 31, 1955

| ASSETS                           |                 | LIABILITIES                    |                 |
|----------------------------------|-----------------|--------------------------------|-----------------|
| Cash                             | \$ 1,089,155.22 | Reserve for Losses             | \$ 5,306,055.46 |
| Mortgage Loans on Real Estate    | 332,501.95      | Reserve for Loss Expenses      | 459,800.00      |
| *Bonds and Stocks                | 38,550,037.75   | Reserve for Unearned Premiums  | 14,922,898.69   |
| Interest due and accrued         | 99,954.84       | Reserve for Taxes and Expenses | 1,252,806.00    |
| Agents and Departmental Balances | 2,885,992.37    | All other Liabilities          | 59,161.50       |
| All other Assets                 | 410,264.17      | Capital                        | 3,000,000.00    |
| Total admitted Assets            | \$43,367,906.30 | Net Surplus                    | 18,367,184.65   |
|                                  |                 | Total                          | \$43,367,906.30 |

**SURPLUS TO POLICYHOLDERS \$21,367,184.65**

Securities carried at \$2,955,430.82 in the above statement are deposited as required by law.

## ROYAL GENERAL INSURANCE COMPANY OF CANADA

DECEMBER 31, 1955

| ASSETS                           |              | LIABILITIES                    |              |
|----------------------------------|--------------|--------------------------------|--------------|
| Cash                             | \$ 39,031.74 | Reserve for Taxes and Expenses | \$ 3,980.86  |
| Bonds and Stocks                 | 404,536.14   | Capital                        | 100,000.00   |
| Interest Due and Accrued         | 2,945.21     | Net Surplus                    | 353,917.08   |
| Agents and Departmental Balances | 11,384.85    |                                |              |
| Total admitted Assets            | \$457,897.94 | Total                          | \$457,897.94 |

**SURPLUS TO POLICYHOLDERS \$453,917.08**

Securities carried at \$53,720.22 in the above statement are deposited as required by law.

## THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

DECEMBER 31, 1955

| ASSETS                                       |                 | LIABILITIES                    |                 |
|--|-----------------|--------------------------------|-----------------|
| Cash   | \$ 2,050,054.59 | Reserve for Losses             | \$19,529,061.00 |
| Mortgage Loans on Real Estate                | 13,788.26       | Reserve for Unearned Premiums  | 13,846,779.68   |
| *Bonds and Stocks                            | 48,966,786.82   | Reserve for Loss Expenses      | 2,247,095.00    |
| Interest due and accrued                     | 167,466.15      | Reserve for Taxes and Expenses | 1,647,113.89    |
| Agents and Departmental Balances             | 3,509,949.53    | Funds held under Reinsurance   |                 |
| Equity in Marine and Foreign Insurance Pools | 150,789.49      | Treaties                       | 197,366.55      |
| All other Assets                             | 231,563.29      | All other Liabilities          | 167,463.00      |
| Total admitted Assets                        | \$55,090,398.13 | Capital                        | 3,000,000.00    |
|  |                 | Net Surplus                    | 14,455,519.01   |
|  |                 | Total                          | \$55,090,398.13 |

**SURPLUS TO POLICYHOLDERS \$17,455,519.01**

Securities carried at \$4,426,379.84 in the above statement are deposited as required by law.

## COMMERCIAL INSURANCE COMPANY OF NEWARK, N. J.

DECEMBER 31, 1955

| ASSETS                                       |                 | LIABILITIES                    |                 |
|--|-----------------|--------------------------------|-----------------|
| Cash   | \$ 1,902,307.91 | Reserve for Losses             | \$24,001,921.00 |
| Mortgage Loans on Real Estate                | 432,972.54      | Reserve for Loss Expenses      | 2,664,267.00    |
| *Bonds and Stocks                            | 58,149,018.36   | Reserve for Unearned Premiums  | 16,372,985.52   |
| Interest due and accrued                     | 175,081.72      | Reserve for Taxes and Expenses | 1,656,825.00    |
| Agents and Departmental Balances             | 3,718,871.79    | Funds held under reinsurance   |                 |
| Equity in Marine and Foreign Insurance Pools | 156,973.17      | Treaties                       | 663,218.89      |
| All other Assets                             | 276,839.35      | All other Liabilities          | 119,854.37      |
| Total admitted Assets                        | \$64,812,064.84 | Capital                        | 3,000,000.00    |
|  |                 | Net Surplus                    | 16,332,993.06   |
|  |                 | Total                          | \$64,812,064.84 |

**SURPLUS TO POLICYHOLDERS \$19,332,993.06**

Securities carried at \$1,691,171.13 in the above statement are deposited as required by law.

\*Valuations on basis prescribed by National Association of Insurance Commissioners

Western Department  
120 So. LaSalle St., Chicago 3, Illinois

Southwestern Department  
912 Commerce St., Dallas 22, Texas

**HOME OFFICE**  
10 PARK PLACE, NEWARK 1, NEW JERSEY

Foreign Department  
102 Maiden Lane, New York 5, New York  
206 Sansome St., San Francisco 4, Calif.

Pacific Department  
220 Bush St., San Francisco 6, Calif.

Canadian Departments  
800 Bay St., Toronto 2, Ontario  
535 Homer St., Vancouver 3, B. C.



Extra Value  
makes the  
difference  
in insurance

## *Security on the menu*

Stouffer's is one of America's busiest restaurant chains. The business grew up on flavorful American dishes and a friendly atmosphere in which patrons can enjoy them. This is 'extra value' — the American recipe for success. It's the kind of value North America Companies give in insurance experience, financial strength and attentive agent service. Stouffer's gets it in the 'Key Man' Accident and Sickness Policy written by Indemnity Company. These extras are a helpful asset for

producers to have in a day when insurance buyers are looking for the most value. North America, with many decades of experience, strength and reputation, and initiative in serving the public in new ways — is an unbeatable combination. Our current advertising in business magazines sends executives to you for North America's extra values in insurance. At North America, you'll get the finest in protection and service for your accounts, whether large or small.

See the story on Stouffer's  
in the October issue of  
'The North America Fieldman.'



Protect what you have®

**NORTH AMERICA**  
COMPANIES

Insurance Company of North America  
Indemnity Insurance Company of North America  
Philadelphia Fire and Marine Insurance Company  
**Philadelphia**